PAVILION FLOW-THROUGH L.P. (2016) 1

***CONFIDENTIAL* OFFERING MEMORANDUM**

Date: June 30, 2016

THE ISSUER:

Name:	**PAVILION FLOW-THROUGH L.P. (2016) 1**
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CONFIDENTIAL OFFERING MEMORANDUM

Dated: June 30, 2016

THE ISSUER

PAVILION FLOW-THROUGH L.P. (2016) 1 (THE "PARTNERSHIP")

25 Adelaide St East, Suite 1616
Toronto, Ontario, M5C 3A1
Phone: 416-429-9779
Email: service@accilentcapital.com

Currently Listed or Quoted: No. These securities do not trade on any exchange or market.
Reporting Issuer: No.
SEDAR Filer: No.

THE OFFERING

Securities Offered: Limited Partnership Units (the "Units").

Price Per Security: $10.00 per Unit. Subscribers must subscribe for a minimum of 1000 Units, and in multiples of 100 Units ($1,000) for larger subscriptions, unless such amounts are waived by the General Partner.

Maximum Offering: $20,000,000.00 (2,000,000 Units).

Minimum Offering: There is no minimum. You could be the only investor.

Minimum Subscription Amount: Minimum 1000 Units ($10,000) per Unit holder, and in multiples of 100 Units ($1,000) for subscriptions larger than the minimum subscription amount, unless such amounts are waived by the General Partner.

Minimum Subscribers: No minimum number of subscribers.

Payment Terms: 100% of the Subscription Price for Units is due on closing by way of bank draft or certified cheque payable to the Partnership.

Proposed Closing Dates: The closing of the Units (each a "Closing Date") will take place on a rolling monthly basis. The initial closing is expected to take place on June 30, 2016 and the anticipated Final Closing Date (as defined below) is anticipated to take place no later than November 30, 2016 unless otherwise extended by the General Partner in its sole discretion. The "Final Closing Date" will be the date that is either (i) the date on which no more Subscriptions are being accepted, because the General Partner has indicated such closing date to be a final closing or because the offering is withdrawn, (ii) November 30, 2016, or (iii) a later date determined by the General Partner in its sole discretion.

Tax Consequences: There are important tax considerations relating to the ownership of these securities. **All investors will be responsible for seeking independent tax advice and for the preparation and filing of their own tax returns in respect of this investment.** Tax considerations ordinarily make the Units offered hereunder most suitable for taxpayers whose income is subject to the highest marginal rates of tax. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of their merits as an investment and on a Subscriber's ability to bear the loss of the investment. See "Canadian Federal Income Tax Considerations" in this Offering Memorandum.

Selling Agent: The General Partner has retained Accilent Capital Management Inc. ("Accilent") as agent and distribution agent (the "Agent") for the Offering, who, along with applicable members of a selling and/or referral group formed by it and certain approved selling agents (collectively the "Selling Agents"), who in accordance with and as permitted by Applicable Securities Laws (as defined herein), will market and distribute the Units in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories on behalf of the Partnership. See "Compensation Paid to Agents and Selling Agents" in this Offering Memorandum.

Purpose: The Partnership has been formed to invest in flow-through shares and, where applicable, warrants to acquire shares (collectively, "Flow-Through Shares") of resource issuers engaged in (i) oil and gas exploration, development and/or production; (ii) mineral exploration, development and/or production; and/or (iii) renewable resources exploration, development and/or production (collectively the "Resource Issuers"). See "Business of the Partnership" in this Offering Memorandum.

RESALE RESTRICTIONS

There is no market for the Units and it is not anticipated that any market for the Units will be developed or created. The Units will be subject to a number of resale restrictions, including a restriction on trading. See "Resale Restrictions" in this Offering Memorandum.

SUBSCRIBER'S RIGHTS

You have two (2) Business Days to cancel your agreement to purchase the Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Purchaser's Rights" in this Offering Memorandum.

No securities regulatory authority 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 "Risk Factors" in this Offering Memorandum.

ACCILENT CAPITAL MANAGEMENT INC.

No securities regulatory authority 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 with tax consequences (see "Risk Factors").

THIS OFFERING MEMORANDUM CONSTITUTES A PRIVATE OFFERING OF THESE SECURITIES ALL OF THE PROVINCES AND TERRITORIES OF CANADA, EXCEPT QUEBEC, UNDER EXEMPTIONS TO THE PROSPECTUS REQUIREMENTS IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS. IT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM SUCH OFFER OR SOLICITATION MAY NOT BE LAWFULLY MADE. THIS OFFER IS MADE ONLY TO THE PERSONS TO WHOM THIS OFFERING MEMORANDUM HAS BEEN DELIVERED AND BY THEIR ACCEPTANCE HEREOF, PROSPECTIVE SUBSCRIBERS AGREE THAT THEY WILL NOT TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE THIS OFFERING MEMORANDUM OR ANY INFORMATION CONTAINED HEREIN AND ANY DUPLICATION OF THIS OFFERING MEMORANDUM IS STRICTLY PROHIBITED. NO SECURITIES REGULATORY AUTHORITY 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.

Pavilion
RESOURCE FUND

PAVILION FLOW-THROUGH L.P. (2016) 1
PARTNERSHIP UNITS

OFFERING MEMORANDUM

UP TO AND A MAXIMUM OF $20,000,000
UP TO A MAXIMUM OF 2,000,000 LIMITED PARTNERSHIP UNITS)

SUBSCRIPTION PRICE: $10 PER UNIT
MINIMUM SUBSCRIPTION: 1000 Units ($10,000)

THE OFFERING:

This is an offering (the "Offering") of limited partnership units (the "Units"), on a reasonable best-efforts basis, up to a maximum of 2,000,000 Units (the "Maximum Offering") in the PAVILION FLOW-THROUGH L.P. (2016) 1 (the "Partnership"), a limited partnership formed pursuant to the laws of the Province of Ontario. The Offering is restricted to Subscribers (the "Subscribers") resident in Ontario who are Accredited Investors (as defined herein) and in, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories who are Accredited Investors and/or Eligible Investors (as defined herein) and who purchase the minimum subscription of Units (1000 Units at $10.00 per Unit). A subscriber (a "Subscriber") whose subscription has been accepted by the General Partner (as defined below) will become a limited partner (a "Limited Partner").

The General Partner has retained Accilent Capital Management Inc. ("Accilent") as agent (the "Agent") who, along with a selling and/or referral group formed by it and certain approved selling agents (collectively the "Selling Agents"), and in accordance with Applicable Securities Laws (as defined herein), will market and distribute the Units in all of the Provinces and Territories of Canada, except Quebec, on behalf of the Partnership.

The Units are not listed on any exchange and the Partnership is not and is not expected to be a reporting issuer or SEDAR filer at any time in accordance with Applicable Securities Laws (as defined herein).

THE PARTNERSHIP:

The Partnership has been formed to invest in flow-through shares and, where applicable, warrants to acquire shares ("Flow-Through Shares") of resource issuers engaged in (i) oil and gas exploration, development and/or production; (ii) mineral exploration, development and/or production; and/or (iii) renewable resources exploration, development and/or production ("Resource Issuers").

THE INVESTMENT OBJECTIVE:

The Partnership's investment objective is to achieve capital appreciation and the benefits of diversification from its investments in a portfolio of Flow-Through Shares of Resource Issuers that is pro-actively managed. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in equities or equity linked securities of Resource Issuers that are not Flow-Through Shares, and high quality money market investments, although such securities will not enjoy the same tax benefits. By focusing on Flow-Through Shares, the Partnership will utilize available provisions of the *Income Tax Act* (Canada) (the "Tax Act") to seek to maximize the tax benefits associated with its investments and to provide Subscribers with the potential for enhanced after-tax returns on the portfolio.

THE INVESTMENT STRATEGY:

The General Partner and the Investment Manager (all as defined below) will implement and apply the Investment Objective and the Investment Strategy described in this Offering Memorandum by selecting and actively monitoring investments in Resource Issuers. The Partnership intends to focus primarily on a portfolio of junior Resource Issuers including both private and public companies (i) who are being sponsored and controlled by an "elite" group of managers, promoters and operators with superior long-term performance track-records across multiple Resource Issuers and who are known and accessible to the Investment Manager; (ii) where the Investment Manager has reserved future financing capacity and the ability to participate in successive rounds of financing; (iii) where a pro-active investment style (i.e. access to management to provide strategy and growth ideas) has the potential to drive value upside and liquidity; (iv) where the companies have strong exploration and development potential based on their assets; and/or (v) where the Investment Manager believes the assets are being valued at a discount to intrinsic and realizable value and hence have the potential for exceptional growth.

THE GENERAL PARTNER:

PRF (GP) Management (No.3) Limited has been established by certain of the principals and advisors of Accilent as the general partner (the "General Partner") of the Partnership and has coordinated the organization and formation of the Partnership in accordance with the *Limited Partnerships Act* (Ontario). The General Partner will be responsible for coordination along with the Agent for the marketing and the distribution of the Units. The General Partner will be responsible for engaging the services of the Investment Manager who will make investment decisions for the Partnership and will be responsible for the administration of the daily operations and affairs of the Partnership. The General Partner has retained the Investment Manager to direct the business, operations and affairs of the Partnership. The General Partner will assist the Investment Manager in the origination of potential investment opportunities for the Investment Manager's consideration. The officers and directors and controlling owners of the General Partner are Dan Pembleton and Paul J. Crath.

THE INVESTMENT MANAGER AND THE INVESTMENT FUND MANAGER:

The General Partner has retained Accilent as the investment manager (the "Investment Manager") of the Partnership. Accilent is registered as a portfolio manager (PM), exempt market dealer (EMD) and commodities trading manager (CTM) and the Investment Fund Manager (the "Investment Fund Manager") and Investment Fund Manager (IFM), regulated by the Ontario Securities Commission.

The Investment Manager's role is to manage the Partnership's investment portfolio as well as the day-to-day management of the operations and affairs of Partnership.

Accilent was formed in 2002 and in conjunction with other co-managers, manages multiple funds with aggregate assets under management of approximately $20 million, including funds in the areas of flow-through shares in previous partnerships, investment grade wines, and real estate. Accilent's President, Daniel Pembleton MBA, CFA, prior to forming Accilent, was a Vice President at RBC Securities as fixed income securities trader where he managed a substantial portfolio on behalf of the institution of several billion dollars.

His education includes an Honours BA in Economics from Brock University and an MBA from the Ivey School of Business of the University of Western Ontario. Mr. Pembleton is also a Chartered Financial Analyst (CFA).

From time to time the Investment Manager may employ certain individuals or retain as consultants certain individuals or organizations to assist in the management of the Partnership.

MUTUAL FUND ROLL-OVER TRANSACTION AND LIQUIDITY:

If deemed advantageous by the General Partner and to provide the potential for enhanced liquidity and long-term growth of capital on a tax-enhanced basis, the General Partner, in conjunction with the Investment Manager may attempt to complete a transaction (the "Mutual Fund Roll-Over Transaction") pursuant to which, after the payment of the final Management Fee (as defined herein) and the Performance Fee (as defined herein), if any, to the General Partner and the Investment Manager and the payment of all other outstanding liabilities of the Partnership, all assets of the Partnership will be transferred to a mutual fund

corporation, on a tax deferred basis, in exchange for mutual fund shares ("Fund Shares") of the mutual fund corporation following which the Fund Shares would be distributed to the Limited Partners *pro rata* on a tax deferred basis upon the dissolution of the Partnership. The Mutual Fund Roll-Over Transaction will be subject to the agreement of the General Partner, the Investment Manager and the mutual fund corporation and to obtaining any necessary regulatory approvals, as well as compliance with all applicable laws. There can be no assurance that such transaction will receive the necessary regulatory approvals. *It is the current intention of the Investment Manager to develop and register such a mutual fund corporation, though there is no assurance that it will be able to do so.* The Mutual Fund Roll-Over Transaction will not be implemented if the General Partner determines that it would prospectively or retrospectively affect the status of the Flow-Through Shares as flow-through shares for income tax purposes, or if there are other market reasons not to do so. The Partnership Agreement states that, if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise fully monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner. At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. At that time, the Partnership will primarily own shares of Resource Issuers and cash. (See "Business of the Partnership – Mutual Fund Roll-Over Transaction and Liquidity", "The Partnership Agreement – Mutual Fund Roll-Over Transaction and Liquidity", and "Risk Factors").

Where deemed optimal by the Investment Manager to advance the Investment Objective of the Partnership and to attempt to manage risk, the Investment Manager may sell a portion of the portfolio of Resource Issuers. The proceeds from such sales may be distributed to the Limited Partners to enhance liquidity in the Investment Manager's sole discretion, There is, however, no requirement for such distributions to be made from proceeds. As an alternative, the proceeds of any such sales may be reinvested in the shares of other Resource Issuers in attempt to maximize the returns of the Partnership.

BEST EFFORTS OFFERING OF LIMITED PARTNERSHIP UNITS

Minimum Subscription: $10,000 (1000 Units)

	No. of Units (1)	*Subscription Price*	*Selling Agents Fees (2)*	*Net Proceeds (3)*
Per Unit		$10.00	$1.00	$9.00
Maximum Offering	2,000,000	$20,000,000	$2,000,000	$18,000,000

(1) The subscription price was determined arbitrarily by the General Partner and the Investment Manager.

(2) Commissions of up to 10.0% of the Gross Proceeds ("Agents' Fees") may be paid to persons who are qualified to sell securities under Applicable Securities Law and who assist with the sale of the Units ("Selling Agents"). See "Compensation Paid to Agent and Selling Agents".

(3) Before deducting expenses of the Offering, which includes a fee of 0.75% (to cover items such as legal, marketing, accounting) and 1% of gross proceeds for dealer due diligence, platform and distribution override fees (collectively "Issue Expenses") which will be no more than $350,000 in the case of the Maximum Offering. Any Issue Expenses and Agent and Selling Agents' Fees which are in excess of 10.0% of the Gross Proceeds plus a 1% dealer due diligence distribution fee plus $150,000 in the case of the Maximum Offering, will be paid from the fees paid to the General Partner.

After deducting the Agents' Fee and the Issue Expenses, it is anticipated that no less than 88.25% of the Gross Proceeds will be available to acquire Flow-Through Shares of Resources Issuers.

Accilent Capital Management Inc. ("Accilent"), the agent for the Partnership, is also acting in the capacity of Investment Manager and Investment Fund Manager to the Partnership. Accilent is controlled by the same individuals who control the General Partner, the Investment Manager, and the Investment Fund Manager. Consequently, Accilent may be considered to be a "connected issuer", a "related issuer", and a "promoter" of the Partnership under Applicable Securities Laws. Accilent will receive no benefit under this Offering other than receiving certain fees that would otherwise be paid to an Agent for distributing the Units, and a certain portion of the Management Fee that otherwise would be payable to any party acting as Investment Manager hereunder, and other fees disclosed herein. (See "Investment Manager-Interest of Accilent in Material Transactions" and "Conflicts of Interest".)

The Partnership will use its best efforts to invest all of the Available Funds in Flow-Through Shares of Resource Issuers on or before December 31, 2016. Subject to certain limitations set out in this Offering Memorandum, the limited partners of the Partnership ("Limited Partners") with sufficient income may be able to claim certain deductions available under the Tax Act. See "Illustration of Possible Tax Deductions" and "Canadian Federal Income Tax Considerations".

A Subscriber will become a Limited Partner upon the date of closing, the date on which no more Subscriptions are being accepted and unless withdrawn, which such date will, a date not later than the Final Closing Date, upon which his or her Subscription for Units is accepted, subject to the limitation that the Partnership will not invest the Available Funds in Flow-Through Shares until the Offering is closed. The Subscriber further acknowledges and agrees as a condition of a subscription for Units that the Subscriber must execute and be bound by the terms of the Partnership Agreement (See Schedule "A") and is liable for all obligations of a Limited Partner thereunder.

Pursuant to such agreement and its attached related forms, the Subscriber also irrevocably agrees to nominate, constitute and appoint the General Partner as the Subscriber's true and lawful attorney with the full power and authority as set out in the Partnership Agreement and irrevocably authorizes the General Partner to file on the Subscriber's behalf all elections, determinations and designations under applicable income tax or other legislation in respect of the business of the Partnership, including the dissolution of the Partnership. The Partnership Agreement contains representations, warranties and covenants among other things that each Subscriber is not a "non-resident" for the purposes of the Tax Act or a "non-Canadian" for the purposes of the *Investment Canada Act,* and that each Subscriber will maintain such status during such time as the Subscriber holds Units and that no acquisition of Units has been financed with borrowing for which the recourse is, or is deemed to be, limited within the meaning of the Tax Act.

In accordance with Applicable Securities Law, a Subscriber has two business days to cancel the agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, a Subscriber has the right to sue either for damages or to cancel the agreement. See "Purchaser's Rights".

A federal tax shelter identification number has been applied for with Canada Revenue Agency. This identification for this tax shelter shall be included in any income tax return filed by the investor. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of any investor to claim any tax benefits associated with the tax shelter.

THIS IS A SPECULATIVE OFFERING AND IS A BLIND POOL OFFERING. There is currently no market through which the Units may be sold and none is expected to develop and Subscribers will be restricted from selling the Units for an indefinite period of time. Subscribers should only invest if they have the capacity to absorb a loss of some or all of the Subscriber's investment. The purchase price per Unit paid at a Closing subsequent to the initial Closing maybe less or greater than the Net Asset Value per Unit at the time of purchase. 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. The Flow-Through Shares may be purchased by the Partnership at prices greater than the market prices of common shares of the respective issuers and may be subject to resale restrictions. The Investment Manager may not be able to identify a sufficient number of investments to permit the Partnership to commit all Available Funds to purchase Flow-Through Shares of Resource Issuers by December 31, 2016, or such Resource Issuers may not renounce Eligible Expenditures equal to the subscription price paid to them. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in equities or equity linked securities of Resource Issuers that are not Flow-Through Shares, and high quality money market investments, although such securities will not enjoy the same tax benefits. A Liquid Market (as defined herein) may not exist for the securities acquired by the Partnership. The Partnership will also be permitted to invest a substantial portion of the Available Proceeds in securities which are Illiquid Investments, which may be subject to indefinite resale restrictions. The tax benefits resulting from an investment in the Partnership are greatest for a Limited Partner whose income is subject to the highest marginal income tax rate. Changes in federal or provincial income tax legislation may alter fundamentally the tax consequences of holding or disposing of Units, including the ability to claim deductions for all expenditures by the Partnership. Limited Partners may receive allocations of income and/or capital gains in a year without receiving sufficient distributions from the Partnership for that year to fully pay any tax that they may owe as a result of being a Limited Partner in that year. The intention of the Investment Manager is to reinvest all Available Funds received on the sale of Flow-Through Shares in securities of Resource Issuers and not to make a distribution of cash to the Limited Partners prior to the dissolution of the Partnership. However, the Investment Manager may, in its sole discretion, decide to make cash distributions to Limited Partners from time to time. If a Subscriber finances the purchase of Units by borrowing or other form of indebtedness that is, or is deemed to be, under the Tax Act a limited recourse financing, the tax benefits of the investment to such Subscriber will be adversely affected. Other risk factors include: certain risks inherent in investment in private and/or junior companies and resource operations and investment in the resource sector in general; Limited Partners could lose their limited liability in certain circumstances; and the General Partner has only nominal assets.

A Mutual Fund Roll-Over Transaction may not be implemented and certain conflicts of interest may arise in connection with a Mutual Fund Roll-Over Transaction if it is implemented. Prospective purchasers of Units should consult their own professional advisors to assess the income tax, legal, and other aspects of the investment. See "Securities Offered", "Canadian Federal Income Tax Considerations", "Risk Factors" and "Resale Restrictions".

These Units are being offered on a reasonable best-efforts basis in all of the Provinces of Canada, except Quebec subject to the conditions of Closing. Units will be sold through the Agent, Accilent Capital Management Inc., in accordance with Applicable Securities Laws. Units will be issued subject to allotment by the General Partner in whole or part before a Closing and subject to

the right to close the subscription books at any time without notice. A final Closing will be held on or before November 30, 2016 unless such date is extended by the General Partner. Confirmation of the acceptance of a subscription will be forwarded promptly to the Subscriber after its acceptance. The General Partner is not obligated to accept any subscriptions.

In the event the Offering does not close, the Subscription amounts and related Agent's commission will be returned to the Subscribers by the Agent, without interest or deduction.

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HOW TO SUBSCRIBE FOR UNITS

Subscribers must purchase Units through the Agent, who may appoint various Selling Agents hereunder to assist in the distribution and sale of the Units in accordance with Applicable Securities Laws. A Subscriber must purchase a whole number of Units at ten dollars ($10) per Unit. The minimum subscription is 1000 Units ($10,000), and in multiples of 100 Units ($1,000) for larger subscriptions unless such amount is waived by the General Partner. A Subscriber who wishes to purchase Units must execute and deliver:

(a) a Subscription Agreement and Power of Attorney;

(b) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount does not exceed $10,000, complete and initial:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**.

(c) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount is **greater than $10,000**, complete and initial:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**; and

  (iv) the Representation Letter form of **Appendix "B"** and **Appendix "C"**, if applicable; and

  (v) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**, if applicable.

(d) If you are **a resident of the Province of Ontario** and are subscribing under the "accredited investor" exemption, complete and sign:

  (i) the Accredited Investor Certificate - **Appendix "D"**; and

  (iii) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**.

(e) If you are **not an Individual** and are subscribing for an amount of $150,000 or greater, please initial the applicable reference in the Accredited Investor and Minimum Investment Certificate - **Appendix "D"** of this Subscription Agreement.

Certified subscription cheques and bank drafts representing the Subscription Price will be received by the Agent pending the initial closing of the Offering and all subsequent Closings.

A Subscriber may cancel the Subscriber's agreement to purchase Units by delivering a notice to the General Partner not later than midnight on the second business day after the Subscriber signs the Subscription Agreement to purchase the Units. See "Purchasers' Rights".

The General Partner has the unconditional right to accept or reject any Subscription. If the General Partner rejects a Subscription, the Subscription Price will be returned to the Subscriber forthwith without interest or deduction and all other closing documents relating to the Subscription will be returned forthwith to the Subscriber. A Subscriber will become a Limited Partner upon the written acceptance of his Subscription by the General Partner and the entry of the name of the Subscriber as a Limited Partner on the register of Limited Partners. Subscribers of Units will receive a customer confirmation from the Agent and the General Partner. See "Securities Offered".

Acceptance as a Limited Partner and the Subscription hereunder, creates a contract between the Subscriber and the Partnership as set forth in the Partnership Agreement, attached as Schedule "A" hereto and summarized in this Offering Memorandum, whereby the Subscriber is bound by the terms and obligations as set forth in the Partnership Agreement , which include, without limitation, the following: (i) certain representations and warranties, including, without limitation, representation regarding residency, maintenance of residency and no limited recourse financing being used to purchase Units, (ii) irrevocably nominates, constitutes and appoints the General Partner as his/her or its true and lawful attorney with the full power and authority to bind the Partnership and its Limited Partners as set forth therein; (iii) irrevocably authorizes the General Partner to instruct and empower the Investment Manager to attempt to give effect to the Mutual Fund Roll-Over Transaction, pre-authorizes the General Partner to instruct and empower the Investment Manager to give any required consents including on behalf of the Limited Partners in connection therewith and authorizes the transfer of any assets to give effect to the Mutual Fund Roll-Over Transaction and (iv) irrevocably authorizes the General Partner to instruct and empower the Investment Manager to file all elections deemed necessary or desirable by the general partner to be filed under the *Income Tax Act* (the "Tax Act") and any other applicable tax legislation in respect of any transaction with respect to the Mutual Fund Roll-Over Transaction and the dissolution of the Partnership. The Partnership Agreement includes representations, warranties and covenants on the part of the subscriber that he, she or it is not a non-resident resident for purposes of the tax Act, that he, she, or it will maintain such status during such time as the Units are held by him, her or it and that payment of the subscription price for such Limited partner's Units was not financed through indebtedness for which recourse is or is deemed to be limited within the meaning of the Tax Act.

TIMETABLE OF EVENTS

June 30, 2016	Anticipated date of Initial Closing.
November 30, 2016	Final Closing, unless the Maximum Offering has been achieved at an earlier date.
March 31, 2016	Limited Partners receive 2016 CEE tax receipt for CEE and other relevant tax information.
December 31, 2020	Target date for implementing a Mutual Fund Roll-Over Transaction, in the absence of other monetization or distribution of the securities of Resource Issuers prior to such date, provided that a Mutual Fund Roll-Over Transaction may be implemented at any time prior to December 31, 2020.
March 31, 2021	The Partnership will be terminated (unless Mutual Fund Roll-Over Transaction has been implemented or unless the General Partner has extended the term of the Partnership due to adverse market conditions) and the Limited Partners will receive their pro rata share of the net assets of the Partnership.

GLOSSARY OF TERMS

Capitalized terms not expressly defined herein shall have the meanings ascribed to them in the Partnership Agreement. In this Offering Memorandum, in addition to those terms which have been defined in the Partnership Agreement, the following terms shall have the following meanings respectively:

"Accredited Investor" has the meaning ascribed to it in National Instrument 45-106 - Prospectus and Registration Requirements, or, for residents of Ontario, as defined in the *Securities Act* (Ontario), if and as applicable.

"Affiliates", as describing a relationship between two persons, means:

(a) one of them is an affiliate of the other, as such term is defined in the *Securities Act* (Ontario),

(b) one is a director or senior officer, as so defined, of the other or of an affiliate, as so defined, of the other, or

(c) one does not deal at arm's length with the other for the purposes of the Tax Act. A trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child, or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

"Agent" means Accilent Capital Management Inc., an exempt market dealer that has been engaged by the General Partner to market and distribute Units of the Partnership as agent and distribution agent for the Offering and will be responsible for the administration of the daily operations and affairs of the Partnership.

"Agent's Fee" means the fee paid to the Agent by the Partnership pursuant to the Distribution and Agency Agreement that is equal to 10% of the Gross Proceeds of the Units sold hereunder.

"Arm's length" has the meaning ascribed to it in the Tax Act, as now in effect.

"Available Funds" means, at any time, the Gross Proceeds, together with all interest earned thereon, less expenses and fees that are payable and are expected to be fully deductible in computing the Partnership's income in accordance with the Tax Act for the fiscal period ending December 31, 2016, including administration and operating expenses, interest costs, the Management Fee but excluding the Agent's Fee and the Issue Expenses to a maximum of 11.75% of the Gross Proceeds. "CDE" or "Canadian Development Expense" means Canadian development expense as defined in subsection 66.2(5) of the Tax Act that may be renounced pursuant to the Tax Act.

"CEE" or "Canadian Exploration Expense" means including without limitation expenses of the nature referred to in paragraphs (a), (b), (d), (f), (g)or (g.1) of the definition of Canadian exploration expense as defined in subsection 66.1(6) of the Tax Act that may be renounced pursuant to the Tax Act, which includes CRCE.

"Closing" means a closing of a sale of Units to Subscribers.

"CRA" means the Canada Revenue Agency.

"CRCE" means Canadian Renewable and Conservation Expense as defined in the Tax Act.

"Distribution and Agency Agreement" means the agreement between the General Partner and the Agent pursuant to which the General Partner has engaged the Agent to act as agent for the Offering.

"Dollars" or "$" means Canadian dollars.

"Eligible Expenditures" means expenditures in respect of resource exploration and development which qualify as CEE, CRCE or as CDE which may be renounced as CEE to the Partnership effective on or before December 31, 2016.

"Eligible Investor" means

(i) a Person whose:

  (i) net assets alone or with a spouse, in the case of an individual, exceed $400,000;

  (ii) net income before taxes exceeded $75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current calendar year; or

  (iii) net income before taxes, alone or with a spouse exceed $125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current year;

(ii) a Person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;

(iii) a general partnership of which all the partners are eligible investors;

(iv) a limited partnership of which the majority of the general partners are eligible investors;

(v) a trust or estate in which all the beneficiaries or a majority of the trustees or executors are eligible investors;

(vi) an Accredited Investor;

(vii) a person described in section 2.5 [Family, friends and business associates] of *National Instrument 45-106 Prospectus and Registration Exemptions;* or

(viii) in Manitoba, Northwest Territories, Nunavut, Prince Edward Island, and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada that advice has been obtained from an "eligibility adviser" as that term is defined in *National Instrument 45-106 Prospectus and Registration Exemptions.*

"Flow-Through Investment Agreements" means agreements between the Partnership and Resource Issuers pursuant to which the Partnership will subscribe for Flow-Through Shares and the Resource Issuers will agree to renounce Eligible Expenditures to the Partnership.

"Flow-Through Mining Expenditures" means "flow-through mining expenditures" as defined in the Tax Act.

"Flow-Through Shares" means shares in the capital of Resource Issuers which qualify as flow-through shares for the purposes of the Tax Act and in respect of which the Resource Issuers agree to renounce Eligible Expenditures to the Partnership (or flow-through warrants or flow-through special warrants entitling the Partnership to acquire, for no additional consideration, shares in the capital of Resource Issuers, provided that such flow-through warrants and/or special warrants qualify as flow-through shares for the purposes of the Tax Act).

"General Partner" means PRF (GP) Management (No.3) Limited or such other general partner of the Partnership duly appointed by the Limited Partners pursuant to the Partnership Agreement.

"Gross Proceeds" means, at any time, the aggregate gross proceeds of the Offering.

"High Quality Money Market Instruments" means, money market instruments, excluding Asset-Based Commercial Paper of any rating, which are accorded the highest rating category by Canadian Bond Rating Service ("A-1") or by Dominion Bond Rating Service ("R-I"), banker's acceptances, and government guaranteed obligations all with a term of one year or less, and interest-bearing deposits with Canadian banks or trust companies.

"Illiquid Investments" means investments that may not be readily disposed of in a market place where such investments are normally purchased and sold and public quotations in common use in respect thereof are available. Examples of Illiquid Investments include limited partnership interests that are not listed for trading and securities of a Private Company, but does not include Flow-Through Shares of publicly listed companies with resale restrictions which expire on or before May 1, 2016 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 Resource Issuer whose market capitalization is at least $10,000,000 and which is not a Private Company.

"Income or Loss of the Partnership" for any fiscal year means the net income or net loss of the Partnership, including gains or losses arising on the sale of Flow-Through Shares and any extraordinary or unusual items, all calculated in accordance with the Tax Act.

"Initial Limited Partner" means Accilent Raw Materials Group Inc., the initial limited partner of the Partnership.

"Investment Fund Management Agreement" means the agreement between the General Partner, the Investment Fund Manager dated as of June 30, 2016, pursuant to which the General Partner has engaged the Investment Fund Manager as investment fund manager on behalf of the Partnership to manage the day-to-day operations of the Partnership or to perform duties as otherwise described herein.

"Investment Fund Manager" means Accilent Capital Management Inc.

"Investment Management Agreement" means the agreement between the General Partner, the Investment Manager dated as of June 30, 2016, pursuant to which the General Partner has engaged the Investment Manager as investment manager on behalf of the Partnership to select Resource Issuers and manage the investment portfolio of the Partnership or to perform duties as otherwise described herein.

"Investment Manager" means Accilent Capital Management Inc.

"Issue Expenses" means the expenses of the Offering (other than the Agent's Fees) which includes a fee of 0.75% (to cover items such as expenses in connection with the formation and organization of the Partnership, the preparation of the Offering Memorandum, initial legal and audit expenses of the Partnership and marketing expenses) and an additional fee of 1% of the gross proceeds of the Offering for dealer due diligence, platform and distribution override fees.

"ITC" means an "investment tax credit" under the Tax Act.

"Limited Partner" means, at any particular time, any party to this Agreement who is bound by this Agreement as a limited partner of the Partnership and is shown on the Record as a limited partner.

"Limited Partnerships Act" means the *Limited Partnerships Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

“Liquid Market” means a market with a high degree of liquidity, often resulting from a large number of buyers and sellers and a significant public float.

“Maximum Offering” means the maximum offering size for this Offering of 2,000,000 Units ($20,000,000).

“Mutual Fund Roll-Over Transaction” means an exchange transaction pursuant to which the remaining assets of the Partnership would be transferred to a mutual fund corporation on a tax deferred basis in exchange for shares of the mutual fund corporation following which such shares would be distributed to the Limited Partners Pro Rata on a tax deferred basis upon the dissolution of the Partnership, as further described herein.

"Net Asset Value**”** means, with respect to the Partnership on any particular Valuation Date, the difference between

(a) the market value on the Valuation Date of its assets, determined as follows:

(i) the value of any security which is listed for trading upon a stock exchange (whether or not the security is subject to resale restrictions) will be, (A) the closing sale price on such date, if such date is a trading day, or on the last trading day before such date, if such date is not a trading day, or (B) if there is no such closing sale price on such date, the average of the closing bid price and closing ask price on such date or the last trading day before such date, if such date is not a trading day (unless in the opinion of the Investment Manager such average does not properly reflect the value of such security, in which case such closing bid price or such closing ask price as determined by the Investment Manager in good faith), all as reported by any report in common use or authorized by such stock exchange;

(ii) where the Partnership has executed a Flow-Through Investment Agreement but has not completed the purchase of the Flow-Through Shares provided for thereunder, for the purposes of calculating the Net Asset Value, the Partnership shall be deemed to have acquired the securities of the Resource Issuer at the date the Partnership entered into the applicable Flow-Through Investment Agreement, and the value of the securities deemed to be so acquired, calculated as set forth herein, shall be included in calculating Net Asset Value and the amount required to be invested under such Flow- Through Investment Agreement (together with interest accruing thereon for the account of the Resource Issuer, if any) shall be deducted in calculating the Net Asset Value. In the event the purchase of such Flow-Through Shares is not completed as contemplated by the Flow-Through Investment Agreement, the applicable subscription fund shall thereafter be included in calculating Net Asset Value;

(iii) the value of any security which has ceased to be traded upon a stock exchange but is traded on an over-the-counter market (whether or not the security is subject to resale restrictions) will be priced at the average of closing bid and asked price on such date or if there is no closing bid or asked price on such date, the average of the closing bid and asked price on the trading day immediately before such date (unless in the opinion of the Investment Manager such average does not properly reflect the value of such security, in which case such closing bid price or such closing ask price as determined by the General Partner in good faith), all as reported by the financial press or an independent reporting organization;

(iv) the value of any security or property or other assets (including any Illiquid Investments) to which, in the opinion of the Investment Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, no published market exists or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the General Partner from time to time adopts; and

(v) the value of assets quoted in foreign currencies will be converted to Canadian dollars at the exchange rate at noon on such date as set by the Bank of Canada; and

(b) all liabilities on such date as determined by the Investment Manager (including contingent distributions).

“Net Earnings” for any fiscal period means Net Gain minus Net Loss.

“Net Gain” for any fiscal period means the aggregate of (i) the amount, if any, by which net proceeds of disposition to the Partnership of investments disposed of in that period exceeds the acquisition cost to the Partnership of such investments, and (ii) the income earned by the Partnership during such fiscal period, calculated in accordance with Canadian generally accepted accounting principles.

“Net Loss” for any fiscal period means the aggregate of (i) the amount, if any, by which the acquisition cost to the Partnership of investments disposed of in that period exceeds net proceeds of disposition by the Partnership for such investments, and (ii) the expenses of the Partnership during such fiscal period, calculated in accordance with Canadian generally accepted accounting principles.

“Offering” means the public offering of a maximum of 2,000,000 ($20,000,000) Units of the Partnership as described in this Offering Memorandum.

“Offering Memorandum” means this confidential offering memorandum of the Partnership, dated June 30, 2016 including any amendments to this Offering Memorandum.

“Partnership Agreement” means the limited partnership agreement made as of June 30, 2016, governing the Partnership which is attached to this Offering Memorandum as Schedule "A" and forms a part hereof and is made among the General Partner, the Initial Limited Partner and those persons admitted as Limited Partners, as amended from time to time.

“Person” or “person” means an individual, corporation, body corporate, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

“Private Company” or “Private Companies” means a company or companies which does not have any of its securities listed or quoted on a recognized stock exchange.

"Pro Rata" means, in respect of a Limited Partner at any time, the quotient of the number of Units held by the Limited Partner divided by the number of Units held by all Limited Partners at such time.

“Resource Issuer” means a corporation engaged in (i) oil and gas exploration, development and/or production, (ii) mineral exploration, development and/or production or (iii) renewable energy exploration, development and/or production or other category eligible for CRCE deductions.

“Selling Agent” means an investment dealer, securities dealer, exempt market dealer or their equivalent, registered under the applicable securities laws or a person who is exempt from the applicable registration requirements under applicable securities laws, selected by the Agent to assist in the marketing and distribution of the Units.

“Tax Act” means the *Income Tax Act* (Canada), as amended from time to time.

“Termination Date” has the meaning set forth to it in Section 9.1(a) of the Partnership Agreement.

“Termination Valuation Date” means the last business day prior to the Termination Date or the date upon which a Mutual Fund Roll-Over Transaction will be completed.

“Unit” means an interest of a Limited Partner in the Partnership, which may be acquired for a $10.00 capital contribution to the Partnership.

“Valuation Date” means the last business day of each calendar month except December, for which the Valuation Date is December 31.

OFFERING MEMORANDUM SUMMARY

The following is intended as a summary of certain matters relating to the Partnership and is qualified in its entirety by the detailed information appearing elsewhere in this Offering Memorandum. See "Glossary" for the meaning of capitalized words and phrases.

ISSUER: PAVILION FLOW-THROUGH L.P. (2016) 1, a limited partnership formed under the *Limited Partnerships Act* (Ontario).

ISSUE: Up to a maximum of 2,000,000 Units ("Maximum Offering") for Gross Proceeds of up to a maximum of $20,000,000. Subscriptions may be accepted by the General Partner and Units may be issued to Subscribers at any time and from time to time until the earlier of the date the Maximum Offering of subscriptions hereunder are received by November 30, 2016, unless extended by the General Partner as provided herein.

SUBSCRIPTION PRICE: $10.00 per Unit. Subscribers must subscribe for a minimum of 1000 Units, and in multiples of 100 Units ($1,000) for larger subscriptions.

MINIMUM OFFERING: There is no minimum offering amount. You may be the only purchaser.

SUBSCRIPTION AND PAYMENT OF SUBSCRIPTION PRICE: Subscribers must purchase Units through the Agent, who may appoint various Selling Agents hereunder to assist in the distribution and sale of the Units in accordance with Applicable Securities Laws. A Subscriber must purchase a whole number of Units at ten dollars ($10) per Unit. The minimum subscription is 1000 Units ($10,000), and in multiples of 100 Units ($1,000) for larger subscriptions unless such amount is waived by the General Partner. A Subscriber who wishes to purchase Units must execute and deliver a Subscription Agreement and the following documents as applicable:

(a) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount does not exceed $10,000, complete and initial:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**.

(b) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount is **greater than $10,000**, complete and initial:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**; and

  (iv) the Representation Letter form of **Appendix "B"** and **Appendix "C"**, if applicable; and

  (v) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**, if applicable.

(c) If you are a resident of the Province of Ontario and are subscribing under the "accredited investor" exemption, complete and sign:

  (i) the Accredited Investor Certificate - **Appendix "D"**; and

  (ii) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**.

(d) If you are not an Individual and are subscribing for an amount of $150,000 or greater, please initial the applicable reference in the Accredited Investor and Minimum Investment Certificate - **Appendix "D"** of this Subscription Agreement.

PARTNERSHIP:

The Partnership will invest in Flow-Through Shares of Resource Issuers and/or warrants to acquire shares related thereto, engaged in (i) oil and gas exploration development and/or production; (ii) mineral exploration, development and/or production; or (iii) renewable energy exploration, development and/or production.

INVESTMENT OBJECTIVE:

The Partnership's investment objective is to achieve capital appreciation and the benefits of diversification from its investments in a portfolio of Flow-Through Shares of Resource Issuers that is pro-actively managed either directly or through co-investment with elite investors, operators and managers with proven track records. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in each and high quality money market investments, equity or equity linked securities of Resource Issuers that are not Flow-Through Shares, although such securities will not enjoy the same tax benefits. By focusing on Flow-Through Shares, the Partnership will utilize available provisions of the *Income Tax Act* (Canada) (the "Tax Act") to seek to maximize the tax benefits associated with its investments and to provide Subscribers with the potential for enhanced after-tax returns on the portfolio.

INVESTMENT STRATEGY:

The Investment Manager will implement and apply the Investment Objective described in this Offering Memorandum by selecting and actively monitoring investments in Resource Issuers. The Partnership intends to focus primarily on a portfolio of junior Resource Issuers including both private and public companies (i) who are being sponsored and controlled by an "elite" group of investors, managers, promoters and operators with superior long-term performance track-records across multiple Resource Issuers and who are known and accessible to the General Partner and the Investment Manager; (ii) where the Investment Manager has reserved future financing capacity and the ability to participate in successive rounds of financing; (iii) where a pro-active investment style (i.e. access to management to provide strategy growth ideas) has the potential to drive value upside and liquidity; (iv) where the companies have strong exploration and development potential based on their assets; and/or (v) where the Investment Manager believes the assets are being valued at a discount to intrinsic and realizable value and hence have the potential for exceptional growth.

INVESTMENT CRITERIA:

The Partnership will allocate all of the net proceeds of the Offering ("Available Funds") and any net proceeds realized by the Partnership in the sale of Flow-Through Shares from time to time to the greatest extent possible in investments in a portfolio of Flow-Through Shares in Resource Issuers that it will pro-actively manage. In entering into any Flow-Through Share Agreements with a Resource Issuer, the mechanism through which the Partnership will subscribe for Flow-Through Shares, in addition to the investment principles established in the Investment Objective and the Investment Strategy, the Investment Manager will use its best efforts to adhere to the following criteria in making investments:

(i) The Partnership will invest in a combination of private and public Resource Issuers at any one time may have up to 85% invested in Resource Issuers whose common shares are not publicly traded and have at least 15% of the Partnerships' Net Assets invested in Resource Issuers whose common shares are listed and posted for trading on the TSX Venture Exchange or the Toronto Stock Exchange.

(ii) The Partnership will invest no more than 20% of Net Asset Value in any one publicly-traded Resource Issuer; provided however that the Partnership may invest up to 25% of its Net Asset Value in any one private Resource Issuer or one who is a reporting issuer but whose shares are not listed and posted for trading on either of the TSX Venture Exchange or the Toronto Stock Exchange.

(iii) The Partnership will not invest in securities issued by any Resource Issuers, if after giving effect to such investment the Partnership would own more than 19.9% of any class of securities of such Resource Issuer if it is a publicly traded company and 100% if it is a private company, or 30% if it is a company whose common shares are listed and posted for trade in markets outside North America but whose common shares are not listed and posted for trading either on the TSX Venture Exchange or the Toronto Stock Exchange.

(iv) The Investment Manager and its consultants will consider engineering or geological technical reports when they are available, but will not necessarily require an engineering or geological report when determining to make an investment in a Resource Issuer.

(v) The Partnership will not invest in securities of issuers which are not at arm's length (as such term is defined in the Tax Act) to the Partnership, the Investment Manager, except in the case of a Mutual Fund Roll-Over Transaction. Notwithstanding this limitation, for

purposes of the proactive investment style of the Partnership, many of the issuers will have securities owned by the principals of the General Partner and the Investment Manager. One or more investee Resource Issuers may pay a due diligence, commission and/or placement fee to the Investment Manager or the Agent.

(vi) The Partnership may borrow money for the purpose of funding expenses of the Partnership and, with respect to such borrowings, may mortgage, pledge, and hypothecate any of its securities and other assets, provided that the total principal amount of such borrowings do not, at any time, exceed 10% of the Gross Proceeds.

(vii) If the Investment Manager is not able to identify a sufficient number of Flow-Through Shares it may invest in equity or equity-traded securities of Resource Issuers.

(viii) In certain instances, members of the General Partner and Investment Manager may act as consultants, managers or directors of Resource Issuers that could be considered a conflict of interest, but that the General Partner and Investment Manager feel benefits the proactive investment style of the Partnership.

GENERAL PARTNER: PRF (GP) Management (No.3) Limited (the "General Partner"), is a corporation incorporated under the laws of Ontario. The General Partner is responsible for the marketing and distribution of the Units. Pursuant to the terms of the Partnership Agreement, the General Partner is entitled to receive a management fee and may be entitled to receive a performance fee. The General Partner has retained the Investment Manager to direct the business operations and affairs of the Partnership. See "Business of the Partnership - The General Partner".

INVESTMENT MANAGER: The General Partner has retained Accilent Capital Management Inc. ("Accilent") pursuant to the Investment Management Agreement to manage the Partnership's investment portfolio, including selecting Flow-Through Shares, in accordance with the Investment Objectives and the Investment Strategy and will be responsible for the administration of the daily operations and affairs of the Partnership. The Investment Manager will negotiate the terms of investments, enter into 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 Investment Management Agreement. Pursuant to the terms of the Investment Management Agreement, Accilent Capital Management Inc. is entitled to receive an investment management fee from the Partnership and is entitled to receive a performance fee from the General Partner. See "Business of the Partnership – Accilent Capital Management Inc.".

It is agreed and understood by the Subscribers that Accilent is also acting as Agent for the Offering and may charge certain of the Resource Issuers fees from time to time, including, without limitation, commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. The Partnership does not participate in such fees. "See- Risk Factors, Potential Conflicts of Interest".

MANAGEMENT FEE: Pursuant to the terms of the Partnership Agreement, the Investment Management Agreement, the General Partner and the Investment Manager are collectively entitled to a management fee (the "Management Fee") equal to 2.25% per annum of Net Asset Value of the Partnership and the Investment Fund Manager, calculated and payable monthly in arrears, commencing on the date one month from the date of the Initial Closing of the Offering. The General Partner and the Investment Manager will not otherwise charge any fees and will not charge for its overhead or other internal expenses other than reasonable costs of complying with its administrative and other duties in the Partnership Agreement.

PERFORMANCE FEE: Pursuant to the terms of the Partnership Agreement and the Investment Management Agreement, the General Partner and the Investment Manager are collectively entitled to a performance fee (the "Performance Fee") payable on the earlier of (a) the day on which a distribution is made to the Limited Partners (b) the business day prior to the date of the Mutual Fund Roll-Over Transaction (as defined below) and (c) the business day immediately prior to the date of dissolution or termination of the Partnership (each a "Performance Fee Date"), equal to 20% of the amount that is equal to the product of (i) the number of Units outstanding on the Performance Fee Date and (ii) the amount by which the Net Asset Value per Unit on such Performance Fee Date plus any distributions per Unit paid until the Performance Fee Date exceeds $11.20. The Performance Fee will be paid to the General Partner for distribution to the Investment Manager in cash before any assets of the Partnership are exchanged as part of a Mutual Fund Roll-Over Transaction (as defined below) and or the dissolution or termination of the Partnership.

AGENT'S FEE:

Pursuant to the Distribution and Agency Agreement, Accilent as Agent is entitled to an agency fee (the "Agent's Fee") of up to 10.0% of the Gross Proceeds per Unit payable on Closing. Accilent will pay any Selling Agents from the aggregate Agent's Fee.

ISSUE EXPENSES:

The Partnership will pay the Issue Expenses up to $150,000 plus a 1% distribution fee in the event of the Maximum Offering.

ADMINISTRATIVE AND OPERATING EXPENSES:

In addition to the Management Fee, the Partnership will pay all of its administrative and operating expenses (to a maximum of $100,000 per annum during the term of the Partnership), administration expenses, expenses relating to investment transactions (including finder's fees, if any, but excluding brokerage costs), taxes, legal fees, audit fees, printing and mailing costs and other regulatory compliance costs, if any. Such expenses, as well as the performance fee of the General Partner and the Investment Manager, will be paid from the net proceeds of the sale of Flow-Through Shares and other securities. The General Partner will pay the monthly fee to the Investment Manager and any such ongoing administrative and operating expenses to the extent that such expenses in the aggregate exceed these applicable capped annual amounts during the term of the Partnership. The General Partner, the Investment Manager, and the Investment Fund Manager will be responsible for their own overhead costs, including office facilities, equipment and employees, and for fees and expenses payable to third parties/suppliers and not otherwise provided for herein.

USE OF PROCEEDS:

	Maximum Offering
Gross Proceeds to Partnership	$20,000,000
Selling Agents' Fees	$2,000,000
Issue Expenses	$350,000
Available Funds	$17,650,000

There is no minimum offering and following the initial Closing of the Minimum Offering the General Partner may close subscriptions from time to time without completing the Maximum Offering. You may be the only subscriber. There is no guarantee that the funds raised will be sufficient to meet the business objectives of the Partnership. There is also no guarantee that, even if the Offering is fully subscribed, the funds raised will be sufficient to produce a profit for Subscribers. See "Risk Factors".

The Partnership will use the Available Funds to subscribe for Flow-Through Shares of Resource Issuers according to the Investment Strategy, Investment Objective and Investment Criteria. See "Use of Proceeds", "Business of the Partnership- Investment Strategy, Criteria and Restrictions of the Partnership" and "Risk Factors".

ALLOCATIONS OF INCOME AND LOSSES:

Subject to the Performance Fee, 99.99% of the Income will be allocated to the Limited Partners of record on December 31 of each fiscal year and 0.01% to the General Partner. 100.0% of the Losses will be allocated to the Limited Partners of record on December 31 of each fiscal year. All the amounts renounced to the Partnership will be allocated *pro rata* to the Limited Partners of record on December 31, 2016. The Partnership will make all filings in respect of such allocations as are required by the Tax Act. On dissolution of the Partnership, after settling any credit balances in the capital accounts of any of the Limited Partners, and satisfying all liabilities of the Partnership including, without limitation, the Performance Fee, the Limited Partners will receive 99.99% of the assets of the Partnership and the General Partner will receive 0.01% of such assets.

MUTUAL FUND ROLL-OVER TRANSACTION LIQUIDITY AND TERMINATION OF PARTNERSHIP:

If deemed advantageous by the General Partner and to provide the potential for enhanced liquidity and long-term growth of capital on a tax-enhanced basis, the Investment Manager may attempt to complete a transaction (the "Mutual Fund Roll-Over Transaction") pursuant to which, after the payment of the final Management Fee (as defined herein) and the Performance Fee (as defined herein), if any, to the General Partner and the Investment Manager, and the payment of all other outstanding liabilities of the Partnership, all assets of the Partnership will be transferred to a mutual fund corporation, on a tax deferred basis, in exchange for mutual fund shares ("Fund Shares") of the mutual fund corporation following which the Fund Shares would be distributed to the Limited Partners *pro rata* on a tax deferred basis upon the-dissolution of the Partnership. The Mutual Fund Roll-Over Transaction will be subject to the agreement of the General Partner and the mutual fund corporation and to obtaining any necessary regulatory approvals, as well as compliance with all applicable laws. There can be no assurance that such transaction will receive the necessary regulatory approvals. *It is the current intention of the Investment Manager to develop and register such*

a mutual fund corporation, though there is no assurance that it will be able to do so. The Mutual Fund Roll-Over Transaction will not be implemented if the General Partner and the Investment Manager determine that it would prospectively or retrospectively affect the status of the Flow-Through Shares as flow-through shares for income tax purposes or if there are other market reasons not to do so. The Partnership Agreement states that, if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise fully monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner., At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. At that time, the Partnership will primarily own shares of Resource Issuers and cash. (See "Business of the Partnership – Mutual Fund Roll-Over Transaction and Liquidity", "The Partnership Agreement – Mutual Fund Roll-Over Transaction and Liquidity", and "Risk Factors".)

Where deemed optimal by the Investment Manager to conform to the Investment Objective of the Partnership and to attempt to manage risk, the General Partner and Investment Manager may sell a portion of the portfolio of Resource Issuers. The proceeds from such sales may be distributed to the Limited Partners to enhance liquidity in the sole discretion of the Investment Manager or reinvested in shares of same or other Resources issuers to attempt to maximize the returns of the Partnership. There is no requirement for such distributions to be made.

FEDERAL INCOME TAX CONSIDERATIONS:

Generally, a taxpayer (other than a "principal-business corporation") who is a Limited Partner at the end of a fiscal year of the Partnership may, in computing income for the taxation year in which the fiscal year ends, subject to the "at-risk" and limited recourse financing rules, deduct an amount equal to 100% of Eligible Expenditures renounced to the Partnership and allocated to the taxpayer by the Partnership in respect of the fiscal year.

A Limited Partner who is an individual other than a trust may also receive an ITC of 15% of such Limited Partner's share of Flow-Through Mining Expenditures for qualified mining exploration activities. The individual taxpayer's cumulative CEE at any time in a taxation year is reduced by the amount of the ITC claimed for a preceding year. If a taxpayer's cumulative CEE at the end of a taxation year is negative, the negative balance must be included in income and the cumulative CEE is reset to nil.

Income, including capital gains, realized by the Partnership will be allocated to Limited Partners of record on December 31 of each fiscal year. The adjusted cost base of the Flow-Through Shares held by the Partnership will generally be deemed to be nil, and as a result, any capital gain realized by the Partnership and allocated to the Limited Partners on a sale of Flow-Through Shares will generally be equal to the proceeds of disposition, less reasonable costs of disposition.

A disposition of Units by Limited Partners may trigger capital gains (or capital losses). One-half of realized capital gains will be included in a Limited Partner's income for the year of disposition, and one-half of any capital loss may be deducted against taxable capital gains in accordance with the provisions of the Tax Act. In the event that the Mutual Fund Roll-Over Transaction is not implemented and the Partnership is dissolved, it is anticipated that, following the dissolution of the Partnership, each Limited Partner will acquire a pro-rata share of the assets held by the Partnership at that time on a tax-deferred basis, provided that certain requirements in the Tax Act are satisfied.

If the Partnership transfers its assets to a mutual fund corporation pursuant to the Mutual Fund Roll-Over Transaction, provided the appropriate elections are made and filed in a timely manner, no taxable capital gains will be realized by the Partnership from the transfer. After the payment of the final Management Fee and the Performance Fee, if any, and the payment of all other outstanding liabilities of the Partnership, the mutual fund corporation will acquire each remaining asset of the Partnership at a cost equal to the lesser of the cost amount thereof to the Partnership and the fair market value of the asset on the transfer date. Provided that the dissolution of the Partnership takes place within 60 days of the transfer of assets to the mutual fund corporation, the Fund Shares will be distributed to the Limited Partners with a cost for tax purposes equal to the cost of the Units held by such Limited Partner. As a result, a Limited Partner will not be subject to tax in respect of such transaction.

Prior to investing, you should be satisfied as to the federal and provincial tax consequences of this investment by obtaining advice from your advisor. An investor who borrows to finance the

acquisition of Units should consult a tax advisor as to the consequences of such borrowing.

See "Illustration of Possible Tax Deductions", "Canadian Federal Income Tax Considerations", and "Risk Factors".

LIQUIDITY OF UNITS: Because the Partnership is not and does not intend to become a reporting issuer in any jurisdiction in Canada, the applicable hold period on Units for Subscribers will never expire and a Subscriber will not be able to sell Units for an indefinite period. See "Resale Restrictions".

RISK FACTORS: The purchase of Units of the Partnership involves a number of significant risk factors. Subscribers should consider the following risk factors and the additional risk factors outlined under "Risk Factors" and all other information contained in this Offering Memorandum before making an investment decision:

(a) this is a speculative offer and a blind pool offering. There is currently no market through which the Units of the Partnership may be sold and no assurance can be given that such a market will develop;

(b) the Limited Partners are entirely dependent on the discretion and judgment of the General Partner and the Investment Manager for the administration and management of the assets of the Partnership. Neither the Partnership nor the General Partner has any operating history or investment history. The General Partner will only have nominal assets;

(c) there is no assurance of a positive return on investment and an investment in Units should be considered only by those who can afford to lose their investment;

(d) the purchase price per Unit paid by an investor may be less than or greater than the Net Asset Value per Unit at the time of purchase;

(e) The Investment Manager may not be able to identify a sufficient number of Resource Issuers willing to issue Flow-Through Shares to permit the Partnership to commit all of the Available Fund to purchase Flow-Through Shares on or before December 31, 2016**,** and, therefore, capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income or credits from tax for income tax purposes;

(f) the Partnership does not expect to pay, but the Investment Manager can decide to pay, dividends or other cash distributions to the Limited Partners prior to the dissolution of the Partnership;

(g) the possibility exists that Resource Issuers will not renounce Eligible Expenditures equal to the subscription price paid to them;

(h) the possibility exists that Limited Partners will receive allocations of income and/or capital gains without receiving cash distributions from the Partnership in a year sufficient to satisfy a Limited Partner's tax liability for the year arising from his or her status as a Limited Partner;

(i) the Partnership will invest in securities of Resource Issuers which may result in the value of the Partnership's portfolio being more volatile than portfolios with a more diversified investment focus and may result in volatility based upon the underlying market for commodities produced by those sectors of the economy. The amount of Available Funds will directly affect the degree of diversification of the Partnership's portfolio and may affect the scope of investment opportunities available to the Partnership;

(j) the Flow-Through Shares are normally issued to the Partnership at prices greater than the market prices of common shares of the respective Resource Issuers;

(k) the share price of the Resource Issuers in which the Partnership owns Flow-Through Shares may decline due to factors such as investor demand, resale restrictions, general market trends or regulatory restrictions;

(l) Resource Issuers may not hold or discover commercial quantities of oil, natural gas or minerals, and their profitability may be affected by adverse fluctuations in commodity prices, liability for environmental damage, competition and government regulation;

(m) the Partnership is permitted to have a high percentage of its assets in private companies, which are Illiquid Investments. In the case of Illiquid Investments, the Flow-Through Shares owned by the Partnership may be subject to indefinite resale restrictions;

(n) a Liquid Market may not exist for Flow-Through Shares due to fluctuations in trading

volumes and prices and, if the Investment Manager is unable to dispose of all investments prior to the termination of the Partnership, Limited Partners may receive shares of Resource Issuers upon the termination of the Partnership, for which there may be an illiquid market or which may be subject to resale restrictions;

(o) the Partnership may be required to dispose of assets to cover its ongoing expenses at times when it would otherwise not do so which could have an adverse effect on the Net Asset Value of the Units;

(p) income tax laws in the various jurisdictions of Canada may be changed in a manner which will fundamentally alter the tax consequences to Limited Partners of holding or disposing of Units, including the ability to claim deductions for all expenditures by the Partnership;

(q) if a Limited Partner finances the Subscription Price of a Unit with indebtedness that is a "limited-recourse amount" for purposes of the Tax Act, the tax benefits of an investment in Units to the Limited Partner and other Limited Partners will be adversely affected;

(r) new standards prescribed by International Financial Reporting Standards are expected to apply to investment funds with financial years commencing on or after January 1, 2018 (IFRS 9 – Financial Instruments – Recognition and Measurement), which, among other changes, will provide a new framework for the recognition and measurement of financial instruments. The Partnership is evaluating the effects of this standard, which may impact the recognition and measurement of its investments;

(s) the board of directors and management of the General Partner and the Investment Manager may be changed at any time;

(t) the General Partner and the Investment Manager may engage in the promotion, management or investment management of other fund or partnerships or other vehicles, including entities which invest primarily in flow-through shares and their officers and directors may act as directors, consultants or management and/or have direct investments in the shares of the same Resource Issuers purchased at prices lower than prices of the Flow-Through Shares purchased by the Partnership, and may perform distribution and other services for the same Resource Issuers for additional compensation from time to time. In addition Accilent Capital Management Inc., may charge Resource Issuers certain fees and may charge certain of the Resources Issuers fees from time to time, including without limitation commissions or finder's fees and broker's warrants in connection with the investments made by the Partnership. The Partnership does not participate in such fees, which could potentially be considered a conflict of interest. Accilent is controlled by the same individuals who control the General Partner and the Investment Manager and accordingly the Partnership is a "related issuer" and "connected issuer" of Accilent for the purposes of Applicable Securities Laws;

(u) the Investment Manager, may not be able to implement a Mutual Fund Roll-Over Transaction. The Mutual Fund Roll-Over Transaction may not be approved by the regulators. In completing the Mutual Fund Roll-Over Transaction, the Partnership will face certain conflicts of interest. An alternative transaction (including the dissolution of the Partnership) may not be available on a tax deferred basis or a Limited Partner's investment may be less liquid. Investors should consult their own professional advisors to assess the income tax, legal and other aspects of the investment;

(v) if the Mutual Fund Roll-Over Transaction is completed, Limited Partners will receive shares of a mutual fund corporation upon the dissolution of the Partnership. These shares will be subject to various risk factors applicable to shares of mutual fund corporations, including fluctuation of the net asset value and risks associated with investments in oil and gas, mineral and other natural resources corporations;

(w) Limited Partners may lose limited liability under certain circumstances and the Investment Manager may not be able to satisfy its obligation to indemnify the Limited Partners in the event of a loss of limited liability. See "The Partnership Agreement – Limited Liability"; and

(x) to reduce expenses the Investment Manager has been authorized by the General Partner to provide services as custodian and registrar of the Partnership which may be deemed a conflict of interest.

ILLUSTRATION OF POSSIBLE TAX DEDUCTIONS

At the end of each calendar year Limited Partners may benefit from deductions for income tax purposes resulting from the expenditure of Available Funds.

The following summary and table illustrate the possible tax deduction of a subscription for 1000 Units for a Subscription Price of $10,000 and is qualified by the assumptions set out below. The following summary assumes the Subscriber is an individual, other than a trust. This summary is intended as an example only and actual tax consequences may differ materially from those set out below. Subscribers are urged to consult their tax advisors for advice on the tax implications of this investment.

The following calculations and assumptions do not constitute and shall not be construed as a forecast, projection, estimate of possible results, contractual undertaking or guarantee. An investment in Units is appropriate only if you have the capacity to absorb a loss of your investment and are prepared to rely on the General Partner, which will have only nominal assets, and the Investment Manager. The anticipated 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 and on an investor's ability to bear a loss of his or her 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.

Only those Subscribers who are Limited Partners at the end of the fiscal year of the Partnership will qualify for income tax deductions available in respect of a particular year. It is assumed that the Limited Partner will hold the Units throughout all periods. Subscribers should be aware that these calculations are based on assumptions by the General Partner and the Investment Manager which may not be complete or accurate in all respects. The following tables were prepared by the General Partner and the Investment Manager and are not based on an independent opinion rendered by an accountant or lawyer.

A taxpayer who is an individual (other than a trust) and Limited Partner at the end of a fiscal year of the Partnership may also receive an ITC of 15% of the Limited Partner's share of the Partnership's Flow-Through Mining Expenditures in computing such taxpayer's federal tax payable for the taxation year in which the fiscal year of the Partnership ends. The Partnership's Flow-Through Mining Expenditures will generally be CEE related to certain surface "grass roots" mining exploration expenses incurred in Canada and renounced in favour of the Partnership.

The 15% ITC reduces federal tax otherwise payable by the individual. Certain Canadian provinces, including Ontario, have investment tax credits which generally parallel the federal credits for Flow-Through Mining Expenditures renounced to taxpayers residing in the province in respect of exploration occurring in that province. Limited Partners resident in a province that provides such an investment tax credit may claim the credit in combination with the federal ITC. However, the use of a provincial investment tax credit will generally reduce the amount of expenses eligible for the federal investment tax credit.

An individual (other than a trust) who is a Limited Partner at the end of a fiscal year of the Partnership and a resident in the Province of Ontario may apply for a 5% flow-through share tax credit in respect of "Ontario focused flow-through mining expenditures". Ontario focused flow-through mining expenditures are generally flow-through mining expenditures that would qualify for the federal investment tax credit and are incurred in the Province of Ontario by a Resource Issuer with a permanent establishment in the Province of Ontario. The Limited Partner must be resident in the Province of Ontario at the end of the taxation year, and be subject to Ontario income tax throughout the taxation year, in respect of which the credit is claimed to be eligible for the Ontario tax credit. Where the full Ontario 5% investment tax credit is claimed, the federal 15% ITC is partially clawed back to 14.25%.

EXAMPLE OF TAX DEDUCTIONS ASSUMING THE MAXIMUM OFFERING OF $20,000,000

	2016	2017 and Beyond	Total
Initial Investment	$10,000		
CEE or Qualifying CDE (1, 2)	$8,825	$0	$8,825
Issue Expenses and Other Deductions (3, 4)	$235	$940	$1,175
Total Tax Deductions (5, 6, 7, 8)	$9,060	$940	$10,000

AT-RISK CAPITAL AND BREAKEVEN CALCULATIONS

	Total
Assumed Marginal Tax Rate (9)	45%
Investment Amount	$10,000
Net Flow-Through Share and Other Tax Saving (10)	($4,500)
Capital Gains Tax (11)	$2,250
Total Net Income Tax Expense (Savings)	($4,500)
At Risk Capital (12)	$5,500
Break Even Proceeds (13, 14)	$7,750

NOTES AND ASSUMPTIONS:

1. It is assumed that none of the expenditures will be Flow-Through Mining Expenditures that qualify for an ITC.
2. It is assumed that all Available Funds, being the Gross Proceeds of the Offering less the Selling Agents' Fees and the Issue Expenses, will be invested in Flow-Through Shares of Resource Issuers that in turn expend such amounts on Eligible Expenditures, that such Resource Issuers renounce such Eligible Expenditures in favour of the Partnership with an effective date occurring on or before December 31, 2016, and which Eligible Expenditures are allocated to Limited Partners and deducted by him or her in 2016.
3. The Partnership will incur costs including the Selling Agents' Fees, Issue Expenses (including travel, sales and marketing expenses), certain other estimated operating and administrative expenses and the General Partner's and Investment Manager's fees. The General Partner will pay Issue Expenses to the extent that Selling Agents' Fees and Issue Expenses combined exceed 10% of the Gross Proceeds plus $150,000 plus a 1% distribution fee at the Maximum Offering. The table assumes that the Partnership will realize sufficient capital gains and income to permit it to pay annual operating and administrative expenses prior to the earlier of the closing of a Mutual Fund Roll-Over Transaction and the dissolution of the Partnership.
4. Agent's Fees and Issue Expenses would be deductible for purposes of the Tax Act at a rate of 20% per annum, pro-rated for short taxation years.
5. Assumes no portion of the subscription price for the Units will be financed with a Limited Recourse Amount. See "Canadian Federal Income Tax Considerations - Limitation on Deductibility of Expenses or Losses of the Partnership".
6. A Limited Partner may not claim tax deductions in excess of such Limited Partner's "at-risk" amount.
7. The calculations assume that the Limited Partner is not liable for alternative minimum tax. See "Canadian Federal Income Tax Considerations - Alternative Minimum Tax".
8. The amount of tax deductions, income or proceeds of disposition in respect of a particular Subscriber will likely be different from those depicted above.
9. For simplicity an assumed marginal tax rate of 45% has been used. Each Subscriber's actual tax rate will vary from the assumed marginal rate set forth above. The highest combined federal and provincial marginal tax rates in 2016 in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories are set forth below. Future federal and provincial budgets may modify these rates:

HIGHEST MARGINAL TAX RATE [NTD: need to update]

Province	Highest Marginal Tax Rate
Ontario	53.53%
Manitoba	50.40%
Saskatchewan	48.0%
Alberta	48.0%
British Columbia	47.7%
Northwest Territories	47.05%
Nova Scotia	54.0%
New Brunswick	53.3%

10. The tax savings are calculated by multiplying the total estimated income tax deductions for each year by the assumed highest marginal tax rate for that year. This illustration assumes that the Subscriber has sufficient income so that the illustrated tax savings are realized in the year shown.

11. In computing the Partnership's income, it is assumed that 50% of capital gains are taxable. In addition, it is assumed the Subscriber has proceeds of disposition of $10,000 on an investment of $10,000.

12. At-risk capital is generally calculated as the total investment plus undistributed income less all anticipated income tax savings from deductions and the amount of any tax savings. Breakeven proceeds of disposition represent the amount a Subscriber must receive such that, after paying capital gains tax, the Subscriber would recover his or her at-risk capital. Capital gains tax is calculated on the assumption that the adjusted cost base of the investment is nil and that 50% of the Subscriber's gain is subject to the assumed marginal tax rate of 45%. See "Canadian Federal Income Tax Considerations".

13. The calculations do not take into account the time value of money. Any present value calculation should take into account the timing of cash flows, the Subscriber's present and future tax position and any change in the market value of the Partnership's investment portfolio, none of which can presently be estimated accurately by the Investment Manager.

14. There can be no assurance that any of the foregoing assumptions will prove to be accurate in any particular case. Prospective Subscribers should be aware that these calculations are for illustrative purposes only and are based on assumptions made by the Investment Manager which cannot be represented to be complete or accurate in all respects and that have been made solely for the purpose of these illustrations. These calculations and assumptions have not been independently verified. See "Canadian Federal Income Tax Considerations" and "Risk Factors".

USE OF NET PROCEEDS

Net Proceeds and Available Funds

The following table shows the net proceeds of the Offering and the fund that will be available to the Partnership following the Offering as Available Funds for the acquisition of Flow-Through Shares:

	Assuming Max. Offering
Amount to be Raised by this Offering	**$20,000,000**
Selling Agents' Fees	$2,000,000
Issue Expenses (including legal, accounting, selling, audit etc.)	$350,000
Net Proceeds: D= A - (B+C)	**$17,650,000**
Current Working Capital (or Working Capital Deficiency) of Partnership as at June 30, 2016	$0
Available Funds: F = D+ E	**$17,650,000**

Use of Available Funds

The Partnership intends to invest all Available Funds in Flow-Through Shares of Resource Issuers who are active in mineral, oil and gas exploration, or alternative energy development and/or production in Canada. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in high quality money market investments, equity or equity linked securities of Resource Issuers that are not Flow-Through Shares, although such securities will not enjoy the same tax benefits. All Resource Issuers in which the Partnership acquires Flow-Through Shares will agree to incur either CEE, CRCE or Qualifying CDE, as applicable, and as those terms are defined in the Tax Act. Eligible Expenditures are expected to be equal to 100% of the Available Funds (being 88.25%) after deducting the Selling Agents' Fees and the Issue Expenses. The Resource Issuers will agree to renounce such CEE, CRCE and/or CDE to the Partnership, which will then be allocated to the Limited Partners. This renunciation will entitle Canadian residents to deduct the federal and provincial income tax purposes up to 100% of the CEE renounced in their favour. As part of the Partnership's Investment Strategy, the Partnership may, from time to time, sell Flow-Through Shares and reinvest the proceeds as described further in this Offering Memorandum and to cover expenses of the Partnership.

Any Available Funds that have not been used to purchase Flow-Through Shares of the Resource Issuers by December 31, 2016, will be either invested in non-flow-through shares of Resource Issuers or returned to the Limited Partners on a *pro rata* basis.

Until the Available Funds are invested as mentioned above, the Available Funds will be held in a special trust account, which will only be invested in securities of or those guaranteed by the Government of Canada, or in interest bearing accounts of banks.

Reallocation of Funds

The Partnership only intends to spend the Available Funds as stated. Available Funds will not be reallocated.

BUSINESS OF THE PARTNERSHIP

Structure

The Partnership is a limited partnership formed under the *Limited Partnerships Act* (Ontario) on June 9, 2016 The principal place of business and registered office of the Partnership is 25 Adelaide St. East, Suite 1616, Toronto, ON M5C 3A1. The General Partner will, on behalf of the Partnership, retain at its principal place of business a copy of the Partnership Agreement, a copy of all declarations and declarations of change and a copy of all other documents required by law to be at that location.

The General Partner is a corporation incorporated under the *Business Corporations Act* (Ontario) by articles of Incorporation dated September 25, 2012. The officers and directors of the General Partner are Dan Pembleton and Paul J. Crath. The General Partner is controlled by Dan Pembleton. The Initial Partner of the Partnership is Accilent Raw Materials Group Inc., a corporation owned and controlled by Daniel C. Pembleton and Paul J. Crath. The General Partner has exclusive authority and responsibility to manage and control the business of the Partnership. The General Partner is liable for all the debts and losses of the Partnership although it has no obligation to pay the liabilities of the Limited Partners individually or to return capital to the Limited Partners from its own resources if the business of the Partnership is not successful. The General Partner is entitled to the reimbursement of reasonable costs incurred on behalf of the Partnership. The General Partner will be responsible for the management of the Partnership in accordance with the terms of the Partnership Agreement. The General Partner has retained the Investment Manager pursuant to the Investment Management Agreement to manage the Partnership's investment portfolio, including providing investment advice with respect to the sourcing, selection, monitoring and management of the portfolio of Resource Issuers and will be responsible for the administration of the daily operations and affairs of the Partnership. The General Partner has retained the Investment Fund Manager to manage the day to day operating functions for the Partnership. The Investment Manager may also retain third party, pursuant to an Investment Fund Management Agreement, consultants and advisors from time to time to provide technical expertise, advice and due diligence services in the resource sector. The Investment Manager will also provide services as a custodian and as a registrar to the Partnership.

A Subscriber will become a Limited Partner upon the acceptance of his Subscription for Units by the General Partner. Each Subscriber will become a party to the Partnership Agreement by executing the Subscription Agreement and accompanying documents including the Risk Acknowledgement Form for Ontario, as well as, a written certification as to the Subscriber's status as an Accredited Investor or Eligible Investor as applicable. Subject to the *Limited Partnerships Act* (Ontario) and to any specific assumption of liability, the liability of each Limited Partner for the debts and losses of the Partnership is limited to the amount of his capital contribution to the Partnership and his pro rata share of the undistributed income of the Partnership. A Subscriber must subscribe for a minimum of 1000 Units, and in multiples of 100 Units ($1,000) each for larger subscriptions unless such amounts are waived by the General Partner. Each Limited Partner's interest in the Partnership will represent the same fraction of Units held by the Limited Partner compared to the total number of Units outstanding.

The *Limited Partnerships Act* (Ontario) provides that, in order to maintain their limited liability, Limited Partners must not participate in the management or control of the Partnership's business or transact any business for the Partnership. The Limited Partners are, however, permitted under the Partnership Act to examine the state of accounts of the Partnership and are entitled to be given information regarding partnership affairs when circumstances warrant. See "The Partnership Agreement".

Investment Objective

The Partnership has been created to invest in Flow-Through Shares of Resource Issuers engaged in (i) oil and gas exploration, development and/or production; (ii) mineral exploration, development and/or production, and (iii) renewable resource exploration and production.

The Partnership's investment objective is to achieve capital appreciation and the benefits of diversification from its investments in a portfolio of Flow-Through Shares of Resource Issuers that is pro-actively managed. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in high quality money market investments, and equity or equity linked securities of Resource Issuers that are not Flow-Through Shares, although such securities will not enjoy the same tax benefits. By focusing on Flow-Through Shares, the Partnership will also utilize available provisions of the *Income Tax Act* (Canada) (the "Tax Act") to seek to maximize the tax benefits associated with its investments to provide Subscribers with the potential for enhanced after-tax returns on the portfolio.

An investment in Flow-Through Shares may, in certain instances, include the ability to invest in flow-through special warrants, which entitle the Partnership to acquire, for no additional consideration additional shares of Flow-Through Shares of Resource Issuers, provided that such flow-through special warrants qualify as flow-through shares for the purposes of the Tax Act. Any Available Funds not invested prior to December 31, 2016 will be returned to the Limited Partners on a *pro rata* basis.

Investment Strategy

The Investment Manager will implement and apply the Investment Objective and the Investment Strategy described in this Offering Memorandum by selecting and actively monitoring investments in Resource Issuers. The Partnership intends to focus primarily on a portfolio of junior Resource Issuers including both private and public companies (i) who are being sponsored and controlled by an "elite" group of managers, promoters and operators with superior long-term performance track-records across

multiple Resource Issuers and who are known and accessible to the Investment Manager and the General Partner, (ii) where the Investment Manager or the General Partner have reserved future financing capacity and the ability to participate in successive rounds of financing (iii) where a pro-active investment style (i.e. access to management to provide strategy and growth ideas) has the potential to drive value upside and liquidity; (iv) where the companies have strong exploration and development potential based on their assets; and/or (v) where the Investment Manager believes the assets are being valued at a discount to intrinsic and realizable value and hence have the potential for exceptional growth.

Where deemed optimal by the General Partner and Investment Manager to conform to the Investment Objective of the Partnership and to attempt to manage risk, the General Partner and Investment Manager may sell a portion of the portfolio of Resource Issuers prior to the Mutual Fund Rollover date. The proceeds from such sales may be distributed to the Limited Partners to enhance liquidity in the sole discretion of the General Partner or be reinvested in other Resource Issuers to attempt to maximize the returns of the Partnership. There is no requirement for such distributions to be made.

Should the General Partner choose to distribute cash to the Limited Partners before the dissolution of the Partnership this amount will be included in the calculation of the value of the portfolio for the purposes of calculating the performance fee to be paid to the General Partner.

The General Partner and the Investment Manager believe there are long term macro-economic fundamentals and drivers that make investments in the resources sectors attractive over the next five (5) year period, including global supply-demand imbalances for many commodities produced in Canada, which will be further stimulated by the industrialization and rise of consumption in emerging economies such as China and India with very large populations. The Investment Manager has chosen an investment strategy and criteria that allows for a high concentration of private companies. The primary rationale for emphasis on earlier stage companies is that on an individual company basis they have potential for very high growth and can be managed proactively (as there can potentially be better access and ability to influence management to make growth decisions). Additionally, although an early-stage investor, the "elite" managers, promoters and operators known to the General Partners and the Investment Manager will have invested funds at an earlier stage in these companies, and have high motivation to drive these companies to an eventual liquidity event or to help increase their market value. Investing in such companies, on a portfolio basis, creates a potential mechanism where high performing stocks help mitigate stocks that do not perform as well. ***There is no assurance that this strategy will produce the desired results and past performance is no indication of future performance.***

Investment Criteria

The Partnership will allocate all of the net proceeds of the Offering ("Available Funds") and any net proceeds realized by the Partnership in the sale of Flow-Through shares from time to time to the greatest extent possible in investments in a portfolio of Flow-Through Shares in Resource Issuers that it will pro-actively manage. In entering into any Flow-Through Share Agreements with a Resource Issuer, the mechanism through which the Partnership will subscribe for Flow-Through Shares, in addition to the investment principles established in the Investment Objective and the Investment Strategy, the Investment Manager will use its best efforts to adhere to the following criteria in making investments:

(i) The Partnership will invest in a combination of private and public Resource Issuers and any one time may have up to 85% invested in Resource Issuers whose common shares are not publicly traded and have at least 15% of the Partnerships' Net Assets invested in Resource Issuers whose common shares are listed and posted for trading on the TSX Venture Exchange and the Toronto Stock Exchange.

(ii) The Partnership will invest no more than 20% of Net Asset Value in any one publicly-traded Resource Issuer; provided however that the Partnership may invest up to 25% of its Net Asset Value in any one private Resource Issuer and/or Resource Issuers who are reporting issuer or whose common shares are listed and posted for trade in markets outside of North America but whose common shares are not listed and posted for trading on the TSX Venture Exchange or the Toronto Stock Exchange.

(iii) The Partnership will not invest in securities issued by any Resource Issuers, if after giving effect to such investment the Partnership would own more than 19.9% of any class of securities of such Resource issuer if it is a publicly traded company and 100% if it is a private company issuer, or 30% if it is a company whose common shares are listed and posted for trade in markets outside of North America but whose common shares are not listed and posted for trading either on the TSX Venture Exchange or the Toronto Stock Exchange.

(iv) The Investment Manager will consider engineering reports when they are available, but will not necessarily require an engineering report.

(v) The Partnership will not invest in securities of issuers that are not at arm's length (as such term is defined in the Tax Act) to the Partnership, the General Partner or the Investment Manager except in the case of a Mutual Fund Roll-Over Transaction. Notwithstanding this limitation, for purposes of the proactive investment style of the Partnership, many of the issuers will have securities owned by the Investment Manager and principals of the General Partner. One or more investee Resource Issuers may pay a due diligence and/or placement fee to the General Partner, the Investment Manager or the Agent.

(vi) The Partnership may borrow money for the purpose of funding expenses of the Partnership and, with respect to such borrowings, may mortgage, pledge, and hypothecate any of its securities and other assets, provided that the total principal amount of such borrowings do not, at any time, exceed 10% of the Gross Proceeds.

(vii) If the Investment Manager is not able to identify a sufficient number of Flow-Through Shares it may invest in equity or equity-traded securities of Resource Issuers.

The Partnership will be required to sell Flow-Through Shares and other securities to fund the ongoing costs of its operations.

Flow-Through Investment Agreements

The Partnership intends to enter into Flow-Through Investment Agreements or comparable subscription agreements with Resource Issuers to acquire Flow-Through Shares (including, when applicable, warrants to acquire shares and flow-through shares) on customary terms and conditions. Pursuant to the terms of such agreements, such Resource Issuers will be obligated to incur exploration and development expenditures that qualify as Eligible Expenditures. The Flow-Through Investment Agreements entered into with Resource Issuers will require the Resource Issuers to incur and renounce to the Partnership Eligible Expenditures in an amount equal to the subscription price and any Resource Issuer which fails to do so will be liable to the Partnership for such failure. The Partnership will receive Flow-Through Shares based on the amount paid, once payment is made to the Resource Issuers.

The Partnership will endeavour to subscribe for Flow-Through Shares on or before December 31, 2016, so that the aggregate purchase price equals the aggregate Available Funds in contemplation of the Resource Issuers incurring Eligible Expenditures and renouncing Eligible Expenditures in an amount equal to the purchase price of the Flow-Through Shares to the Partnership. Pursuant to the terms of the Flow-Through Investment Agreements, such Eligible Expenditures will be required to be renounced to the Partnership with an effective date no later than December 31, 2016. The Flow-Through Investment Agreements entered into by the Partnership during 2016 may permit a Resource Issuer to incur Eligible Expenditures at any time up to December 31, 2016, provided that the Resource Issuer agrees to renounce such Eligible Expenditures to the Partnership with an effective date on or before December 31, 2016. The Partnership will attempt to negotiate Flow-Through Investment Agreements that indemnify the Partnership for failure to renounce such expenditures, but it may be unable to do so. See "Risk Factors – Tax Related Risks".

Policy on Proxy Voting

Subject to compliance with the provisions of applicable securities laws, the Investment Manager, acting on the Partnership's behalf, has the right to vote proxies relating to the securities of Resource Issuers in the Partnership's investment portfolio. In all cases, proxies must be voted in a manner consistent with the best interests of the Partnership and its Limited Partners.

Proxy Voting Guidelines

The Investment Manager has developed guidelines to illustrate how it intends to vote on both routine issues and on issues that are not routine and, in fact, may be potentially contentious. Generally, the Investment Manager attempts to vote all proxies.

On routine or commonly raised issues, the Investment Manager will usually vote according to management's recommendations. This standing policy will be deviated from if the Investment Manager believes there is sufficient and worthy reason to suspect that the management recommendation should not be supported in that it is not in the best interests of the shareholders of that particular company.

On non-routine issues, and issues which may be potentially contentious, the matter will be reviewed by the Investment Manager in detail. It is then the investment team's decision on whether to consult with, and obtain the opinion of, external industry experts or independent proxy research services. Ultimately, the investment team is responsible for making the judgment as to how to vote or to refrain from voting.

These proxy voting guidelines are not viewed as a strict set of rules but, rather, are utilized as a directive regarding the treatment of most issues that result in a vote. Ultimately, these guidelines communicate the Investment Manager's general voting practice on most matters. In order to ensure that these guidelines are adhered to, on a quarterly basis, the Investment Manager reviews the proxy voting record.

Mutual Fund Roll-Over Transaction

If deemed advantageous by the Investment Manager and to provide the potential for enhanced liquidity and long-term growth of capital on a tax-enhanced basis, the Investment Manager may attempt to complete a transaction (the "Mutual Fund Roll-Over Transaction") pursuant to which, after the payment of the final Management Fee (as defined herein) and the Performance Fee (as defined herein), if any, to the General Partner and the Investment Manager, and the payment of all other outstanding liabilities of the Partnership, all assets of the Partnership will be transferred to a mutual fund corporation and the Investment Fund Manager, on a tax deferred basis, in exchange for mutual fund shares or ("Fund Shares") of the mutual fund corporation following which the Fund Shares would be distributed to the Limited Partners *pro rata* on a tax deferred basis upon the-dissolution of the Partnership. The Mutual Fund Roll-Over Transaction will be subject to the agreement of the Investment Manager and the General Partner and the mutual fund corporation and to obtaining any necessary regulatory approvals, as well as compliance with all applicable laws. There can be no assurance that such transaction will receive the necessary regulatory approvals. *It is the current intention of the*

Investment Manager to develop and register such a mutual fund corporation, and/or to develop a relationship with another mutual fund corporation though there is no assurance that it will be able to do so. The Mutual Fund Roll-Over Transaction will not be implemented if the Investment Manager determines that it would prospectively or retrospectively affect the status of the Flow-Through Shares as flow-through shares for income tax purposes or if there are other market reasons not to do so. The Partnership Agreement states that, if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise fully monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner, At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. At that time, the Partnership will primarily own shares of Resource Issuers and cash. (See "Business of the Partnership – Mutual Fund Roll-Over Transaction and Liquidity", "The Partnership Agreement – Mutual Fund Roll-Over Transaction and Liquidity", and "Risk Factors".)

The final Management Fee and Performance Fee, will be calculated on the basis of the Termination Valuation Date being the day prior to the completion of the Mutual Fund Roll-Over Transaction on the same basis as set below under the heading "Dissolution of the Partnership".

Dissolution of Partnership

The Partnership Agreement states that, if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one tear periods at the sole discretion of the General Partner., At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. The Partnership Agreement provides that on or prior to March 31, 2021, as the Investment Manager may determine (which date will be the Termination Valuation Date) the Partnership shall be terminated and wound up and the assets of the Partnership shall be distributed to the Partners after the payment of the final Management Fee and the Performance Fee and the payment of all other outstanding liabilities of the Partnership. The Net Asset Value per Unit of the portfolio held by the Partnership, to consist of the securities of Resource Issuers, cash, and any High Quality Money Market Instruments purchased by the Partnership from the proceeds of sale of any Flow-Through Shares acquired by the Partnership, shall be calculated on the Termination Valuation Date.

The Partnership will be able to take advantage of any appreciation in the value of the shares purchased by the Partnership and, provided that any resale restrictions imposed by applicable securities laws have expired, the Investment Manager will be able to sell the Flow-Through Shares owned by the Partnership in the open market. Any proceeds of such sale may, at the discretion of the Investment Manager, be re-invested by the Investment Manager into other securities of Resource Issuers or High Quality Money Market Instruments, be used to pay the ongoing expenses of the Partnership including the management fee of the General Partner and the investment management fee of the Investment Manager and held in interest-bearing accounts by the Limited Partnership, or distributed to the Limited Partners on a pro rata basis. However, it is not anticipated that any such distributions will be made prior to the Partnership being wound up.

Should the Investment Manager choose to distribute cash to the Limited Partners before the dissolution of the Partnership this amount will be included in the calculation of the value of the portfolio for the purposes of calculating the performance fee to be paid to the General Partner, the Investment Manager and the Investment Fund Manager.

The Power of Attorney contained in the Partnership Agreement and the Investment Fund Manager gives the General Partner the authority to do all such acts and to sign all such documents necessary, on behalf of all of the Limited Partners, to retain the Investment Manager to implement a Mutual Fund Roll-Over Transaction, and to effect the dissolution of the Partnership and the distribution of its assets among the Partners.

Development of the Partnership and Business of the Partnership

The Partnership was formed on June 9, 2016. Since its formation it has entered into the Investment Management Agreement and the Distribution and Agency Agreement.

Material Agreements

The following is a summary of each of the material contracts entered into by the Partnership and all other contracts which are material to the operation of the Partnership:

(a) Partnership Agreement between the General Partner and the Initial Limited Partner described under "The Partnership Agreement". Investment Management Agreement between the General Partner and the Investment Manager described under “Business of the Partnership - The Investment Manager”.

(b) Investment Management Agreement between the General Partner and Accilent Capital Management Inc.

(c) Investment Fund Management Agreement between the General Partner and Accilent Capital Management Inc.

(d) The Distribution and Agency Agreement between the Partnership and Accilent Capital Management Inc.

General Partner and Fees

The General Partner is responsible for organizational formation of the Partnership and, together with the Agent, for coordination, marketing and distribution of the Units. The General partner has retained the Investment Manager to direct the ongoing business operations and affairs of the Partnership and the Investment Manager will manage all investments of the partnership. The General Partner has retained the Investment Fund Manager to manage the day to day operations of the Partnership. The General Partner, the Investment Manager, and the Investment Fund Manager will be paid a management fee equal to 2.25% of the Net Asset Value of the Partnership per annum. The Net Asset Value of the Partnership will be calculated on the last business day of each calendar month except December, in which month the calculation shall occur on December 31 (the "Valuation Date"). The management fee will be paid monthly based on the Net Asset Value of the Partnership on the Valuation Date for the preceding month. The General Partner is responsible for its own overhead costs, including office facilities, equipment and employees. The General Partner will pay the Investment Manager and the Investment Fund Manger a portion of the Management Fee.

The Net Asset Value of the Partnership will be calculated at each Valuation Date and will be independently audited by the Partnership's auditors, in accordance with Canadian generally accepted auditing standards, at the December 31 Valuation Date in each year.

The General Partner and the Investment Manager may also be entitled to receive a performance fee from the Partnership (the "Performance Fee") payable on the earlier of (a) the business day prior to the date of the Mutual Fund Roll-Over Transaction (as defined below) and (b) the business day immediately prior to the date of dissolution or termination of the Partnership (the "Performance Fee Date"), equal to 20% of the amount that is equal to the product of (i) the number of Units outstanding on the Performance Fee Date and (ii) the amount by which the Net Asset Value per Unit on the Performance Fee Date (plus any distributions per Unit paid until the Performance Fee Date) exceeds $11.20. The Performance Fee will be paid to the General Partner for distribution to the Investment Manager in cash before any assets of the assets are exchanged as part of a Mutual Fund Roll-Over Transaction (as defined below) or the dissolution or termination of the Partnership. The General Partner will pay the Investment Manager a portion of the Performance Fee.

The Partnership will pay the Agent's Fee of 10% of the Gross Proceeds plus the Issue Expenses of this Offering to a maximum of $150,000 plus a 1% distribution fee. The General Partner will pay Issue Expenses and Selling Agents Fees to the extent that they exceed these amounts on its own account. The Issue Expenses include the costs of creating and organizing the Partnership, the costs of printing and preparing this Offering Memorandum, legal expenses of the Partnership, marketing expenses and legal and other out-of-pocket expenses incurred by the Agent and other incidental expenses.

In addition to the management fee, the Partnership will pay all of the Partnership's ongoing administrative and operating expenses following the initial Closing and during the term of the Partnership, to a maximum of $100,000 per annum during the term of the Partnership, which will include administration fees, expenses relating to investment transactions (including finder's fees, if any, but excluding brokerage costs), taxes, legal, audit and valuation fees, Limited Partner reporting costs, registrar and transfer agency costs, printing and mailing and emailing costs and costs to be incurred in connection with the Partnership's continuous public filing obligations, and compliance and regulatory costs. The Partnership will be required to sell assets from time to time to pay such ongoing operating and administrative expenses. The General Partner will pay any such administrative and operating expenses to the extent that such expenses in the aggregate exceed these applicable capped annual amounts during the term of the Partnership.

The principal business office of General Partner is located at 25 Adelaide St. East, Suite 1616, Toronto, Ontario, M5C 3A1.

Officers and Directors of the General Partnership

The officers and director of the General Partner is as follows.

Daniel C. Pembleton, MBA, CFA

Dan Pembleton MBA, CFA, founded Accilent Capital Management Inc. in 2002 to provide investment advisory services for third party and proprietary funds, individual managed accounts, and structured investments. He has been working in the financial industry as a trader and portfolio manager for 20 years. Nearly a decade of this time was spent with RBC Dominion Securities in institutional fixed income where he rose to the level of Vice-President Global Money Markets.

Mr. Pembleton is a Commodity Trading Manager (CTM).

Mr. Pembleton's education includes an Honours BA from Brock University, an MBA from Western's Ivey School of Business and a Chartered Financial Analyst (CFA) designation in 1998 from the CFA institute.

(Also see "Investment Manager")

Paul J. Crath, JD

Mr. Crath has extensive experience as a merchant banking and mergers and acquisitions executive, financier, business development, legal and strategic advisor to family investors, chief executive officers, boards and owners of growing companies and fund management companies. In such role Mr. Crath acts as a Senior Managing Consultant to Accilent Capital Management Inc. and is an officer of several general partnerships associated with financial products managed by Accilent Capital Management Inc. Alongside Mr. Gerry McCarvill, a royalty investment pioneer and prominent resource and specialty finance investor Mr. Crath is the President and Chief Operating Officer of Norvista Science & Technology Inc.

Specialty finance investments made by Mr. McCarvill, Mr. Crath and his network include Contract Capital Inc., a cloud-based IT finance business and Medical Bancorp Group Inc., a medical factoring business, where Mr. Crath acts as a Director and plays corporate development roles at each company.

Mr. Crath is also currently a Managing Director of Tarra Partners Inc., a private merchant bank that acts as investment principal and/or provides certain advisory services in the areas of real estate, infrastructure and private equity and lending transactions, a Managing Director of Chart House Capital Partners Inc., a business providing physical commodity trading and related advisory services.

Until recently, Mr. Crath was a Managing Director actively involved in finance, origination and corporate development for Norvista Resources Corporation., a mining merchant bank formed by (who, along with his network, have been early stage investors and drivers of multiple resource companies including without limitation gold, iron-ore, and uranium companies) and who are currently managing a portfolio of pro-active mining investments in various public mining companies. Mr. Crath was also a Managing Director of Norvista Capital Corporation (TSXV: NVV), a public resource merchant bank he helped structure and develop. He provides on-going advisory services for both companies.

Mr. Crath is a former Vice-President and Principal of Tricaster Capital Corporation, a family investment company and merchant bank focused on private equity investments primarily in the IT and telecommunication industries that he co-founded with members of the Campbell family of Toronto.

He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. He has a Juris Doctor Degree (JD) from Osgoode Hall Law School at York University and is a Member of the New York State Bar Association. Mr. Crath is a non-executive director of McLaren Resources Corporation (CNSX: MCL) and Nebu Resources Inc. (TSXV: NBU). He is the President and Chief Executive Officer and Director of Highvista Gold Inc (TSXV; HVV) and is a director of Marquest Asset Management Inc, a private asset management and fund company.

The Investment Manager and Investment Fund Manager

The General Partner has retained Accilent Capital Management Inc. ("Accilent") as the investment manager (the "Investment Manager") of the Partnership. Accilent is registered as a portfolio manager, exempt market dealer, commodities trading manager and investment fund manager regulated by the Ontario Securities Commission.

The Investment Manager's role is to manage the Partnership's investment portfolio. The Investment Fund Manager will be responsible for the administration of the daily operations and affairs of the Partnership.

Accilent's President, Daniel Pembleton MBA, CFA prior to forming Accilent, was a Vice President at RBC Securities as fixed income securities trader where he managed a portfolio of several billion dollars on behalf of the bank, and his own capital as an independent floor trader on the Montreal Options Exchange. His education includes an Honours BA in Economics from Brock University and an MBA from Western's Ivey School of Business. He has been a Chartered Financial Analyst (CFA) since 1998.

From time to time the Investment Manager may employ certain individuals or retain as consultants' certain individuals or organizations to assist in the management of the Partnership. The Investment Manager currently co-manages with other investment managers and/or provides investment and commodity trading advice to several funds. Combined assets under management are approximately $20 million.

The Investment Manager has been retained by the General Partner, to provide advice on and manage the investment portfolio of the Partnership pursuant to the Investment Management Agreement dated as of June 30, 2016 between the General Partner and the Investment Manager. The Investment Manager will receive from the Partnership a percentage of the Management Fee and the Participation Fee paid by the General Partner.

The Investment Manager will identify, analyze and select potential investment opportunities, structure and negotiate prospective investments, make investments for the Partnership in securities of the Resource Issuers, review and negotiate any Flow-Through Investment Agreements entered into by the Partnership, monitor the performance of Resource Issuers ensuring among other things that Eligible Expenditures are being renounced to the Partnership, and determine the timing, terms, and method of disposition of investments. Pursuant to the Investment Management Agreement, the Investment Manager has agreed to act at all times on a basis which is fair and reasonable to the Partnership, to act honestly and in good faith with a view to the best interests of the Partnership and, in connection therewith, to exercise a degree of care, diligence and skill that a reasonably prudent person having the experience and qualifications of the Investment Manager would exercise in comparable circumstances. The Investment Management Agreement provides that the Investment Manager will not be liable in any way for any failure, depreciation or loss of any investment or investments of the Partnership if it has satisfied it suits and the standard of care, diligence, and skill set forth

above. The Investment 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 Investment Manager will endeavor, on or prior to December 31, 2016, to invest the Available Funds in Flow-Through Shares of Resource Issuers. Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions will be made by the Investment Manager.

The Investment Management Agreement, unless terminated as described below, will continue until the termination of the Partnership. Either the Investment Manager or the General Partner may terminate the Investment Management Agreement, upon 90 days written notice (or such lesser period as is provided for in the Investment Management Agreement) of such termination delivered to the Investment Manager or the General Partner, as applicable.

In the event that the Investment Management Agreement is terminated as provided above, the General Partner shall appoint, in its sole discretion, a successor investment manager to carry out the activities of the Investment Manager.

The Investment Fund Management Agreement, unless terminated as described below, will continue until the termination of the Partnership. Either the Investment Fund Manager or the General Partner may terminate the Investment Fund Management Agreement, upon 90 days written notice (or such lesser period as is provided for in the Investment Fund Management Agreement) of such termination delivered to the Investment Fund Manager or the General Partner, as applicable.

In the event that the Investment Fund Management Agreement is terminated as provided above, the General Partner shall appoint, in its sole discretion, a successor investment fund manager to carry out the activities of the Investment Fund Manager.

SUMMARY OF THE PARTNERSHIP AGREEMENT

The following is a summary of the principal terms of the Partnership Agreement and is intended to be read in conjunction with the entire Partnership Agreement which is appended hereto as Schedule "A". Potential Subscribers should carefully review the terms of the Partnership Agreement. The rights and obligations of the Limited Partners and the General Partner are governed by the laws of Ontario and the Partnership Agreement.

Business of the Partnership

The Partnership has been formed to invest in Flow-Through Shares of Resource Issuers in accordance with the Investment Strategy. See "Business of the Partnership - Investment Strategy, Criteria and Restrictions of the Partnership". The Investment Strategy can only be amended by way of a Special Resolution of the Limited Partners.

Units-Interest of Limited Partners

The interest of the Limited Partners (other than the Initial Limited Partner) in the Partnership is divided into and represented by an unlimited number of Units, of which a maximum 2,000,000 Units may be issued pursuant to this Offering. Each Unit is equal to each other Unit and a Limited Partner holding a Unit has the same rights in respect of each such Unit held by such Limited Partner as a Limited Partner holding any other Unit. There are no restrictions as to the maximum number of Units that a Limited Partner is entitled to hold in the Partnership, however, the minimum subscription for each Limited Partner is 1000 Units, and in multiples of 100 Units each ($1,000) for larger subscriptions. No fractional Units will be issued pursuant to the Offering.

The acceptance by the General Partner (on behalf of the Partnership) of a Subscriber's offer to purchase Units, whether in whole or in part, constitutes a subscription agreement between the Subscriber and the Partnership, upon the terms and conditions set out in this Offering Memorandum and the Partnership Agreement.

Provided that a Subscriber's subscription agreement has been accepted, in whole or in part, by the General Partner on behalf of the Partnership, and pursuant to the subscription agreement, each Subscriber, among other things:

(a) 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 Subscriber that the General Partner or the service providers require in order to maintain the record of Limited Partners pursuant to applicable laws or for applicable tax purposes, including the name and address of such Subscriber or address for service and the social insurance number or corporation account number of such Subscriber, as the case may be, for the purpose of administering such Subscriber's subscription of Units;

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

(c) makes the representations, warranties, and covenants contained in the Partnership Agreement, including, without limitation, that the Subscriber, as an investor, is not a "nonresident" for the purposes of the Tax Act or a "non-Canadian" for the purposes of the Investment Canada Act, that it will maintain such status during such time as the Units are held by it, and that the acquisition of the Units has not been financed with borrowing for which recourse is, or is deemed to be, limited within the meaning of the Tax Act;

(d) 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;

(e) irrevocably authorizes the General Partner to transfer the assets of the Partnership to a mutual fund corporation and implement the dissolution of the Partnership in connection with a Mutual Fund Roll-Over Transaction;

(f) irrevocably authorizes the General Partner to file on its behalf all elections, determinations or designations under applicable income tax or other legislation in respect of the business of the Partnership, including the dissolution of the Partnership; and

(g) 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 the Partnership Agreement will be binding upon such Subscriber, and each Subscriber agrees to ratify any of such documents or actions upon request by the General Partner.

The General Partner is not required to subscribe for any Units or otherwise contribute capital to the Partnership.

Financing Acquisition of Units

Limited Partners may not finance any portion of the Subscription Price with borrowing what would be a "limited-recourse amount" as defined in the Tax Act. A limited recourse amount means the unpaid principal amount of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently, and also includes any borrowing which is deemed to be a limited recourse amount. Borrowing will not be deemed to be a limited-recourse amount if:

(a) bona fide arrangements, evidenced in writing, are made at the time the debt arose for the repayment by the borrower of the principal and interest on the debt within a reasonable period of time, not greater than ten years;

(b) the debt is not part of a series of loans and repayments that ends more than ten years after it begins; and

(c) interest on the debt is payable at least annually, and is actually paid no later than 60 days after the end of the borrower's taxation year, at a rate equal to or greater than the lesser of:

(i) the prescribed interest rate for tax purposes in effect at the time when the debt arose; and

(ii) the prescribed interest rate for tax purposes applicable from time to time during the term of the debt.

A Limited Partner that is a limited partnership is prohibited from borrowing, to pay the Subscription Price since any borrowing will be deemed to be a limited-recourse amount regardless of its repayment terms. If a Limited Partner has a borrowing that is a limited-recourse amount which is reasonably related to CEE which is incurred or deemed to be incurred by the Partnership, the General Partner will have the right to, and will, make a corresponding reduction in the CEE and, to the extent necessary, an appropriate adjustment to the Income or Loss, as applicable, which is allocated to that Limited Partner.

Limited Partners

A Subscriber does not become a Limited Partner in the Partnership and is not entitled to any of the rights of a Limited Partner or to share in allocations of Income or Loss, in distributions of the assets of the Partnership or in any other allocations or distributions until his subscription is accepted by the General Partner and his name is entered in the Record of Limited Partners. The General Partner has formed a covenant to cause the Record of Limited Partners to be amended from time to time to reflect the admission of additional and substitute partners to the Partnership.

Non-Residents

Limited Partners will be required to represent and warrant that they are not "non-residents" for the purposes of the Tax Act and will be required to covenant to maintain such status for the entire time that they hold Units. A Limited Partner will be deemed to have disposed of his or her Units for proceeds of disposition equal to the Net Asset Value at the last Valuation Date prior to the date on which such Limited Partner ceases to be a resident of Canada for the purposes of the Tax Act.

Limitation Regarding Ownership of Units

At no time may "financial institutions" (as that term is defined in Section 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. 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 shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the General Partner that the person is not a financial institution. If, notwithstanding the foregoing, the General Partner determines that more than 45% of the number of outstanding Units are held by financial institutions, the General Partner may send a notice to Limited Partners that are financial institutions, chosen in inverse order to the order of acquisition or registration or in such other manner as the General Partner may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 15 days.

Transfer of Units

Units may be transferred or sold at any time as provided in the Partnership Agreement provided such transaction is in accordance with applicable securities laws. Among other things, Units are transferable on the following conditions:

(a) the transferee has executed and delivered a Transfer Form and Power of Attorney (pursuant to which, among other things, the transferee will appoint the General Partner his or her attorney to sign the Partnership Agreement (see "The Partnership Agreement – The Power of Attorney");

(b) the transferee is an Accredited Investor or Eligible Investor under applicable securities laws and/or the securities laws applicable to the transfer have been complied with;

(c) the transferee is not a "non-Canadian" within the meaning of the Investment Canada Act and is not a "non-resident" within the meaning of the Tax Act;

(d) the transferor or transferee pays all reasonable fees and expenses in connection with the transfer; and

(e) the transferee is otherwise suitable in the opinion of the General Partner.

The Partnership will allow transfers of all or a portion of the Subscriber's Units to a third party that complies with the above criteria.

No transfer of Units relieves the transferor from any obligations to the Partnership incurred prior to the transfer becoming effective.

LIMITED PARTNERS SHOULD TAKE NOTE OF THE PROVISIONS OF THE *SECURITIES ACT* (ONTARIO), WHICH RESTRICT THEIR RIGHT TO SELL, TRANSFER OR ASSIGN THEIR UNITS. SEE "RESALE RESTRICTIONS." ALL TRANSFERS MUST BE EFFECTED IN

ACCORDANCE WITH APPLICABLE SECURITIES LAWS. UNIT HOLDERS ARE ADVISED TO SEEK LEGAL AND ACCOUNTING ADVICE WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF TRANSFERRING UNITS.

Fees and Expenses

The General Partner is entitled to receive from the Partnership a monthly management fee commencing on the initial Closing equal to 1/12 of 2.25% of the Net Asset Value of the Partnership, calculated and paid monthly based on the Net Asset Value of the Partnership on the Valuation Date for the preceding month. The General Partner will pay the Investment Manager and the Investment Fund Manager a portion of the management fee.

The Partnership will pay the Agent and the Selling Agent's Fees, to a maximum of 10.0% of the Gross Proceeds in the aggregate. The General Partner will pay the Selling Agents' Fees and Issue Expenses which are in the aggregate in excess of 10% plus $150,000 plus a 1% distribution fee in the case of the Maximum Offering of the Gross Proceeds. In addition to the management fee, the Partnership will also pay all of the Partnership's ongoing administrative and operating expenses, to a maximum of $100,000 per annum in the event of the Maximum Offering during the term of the Partnership, which expenses will include, without limitation, administration fees, expenses relating to investment transactions (not including brokerage fees), taxes, legal, audit and valuation fees, Limited Partner reporting costs, registrar and transfer agency costs, printing and mailing costs and costs to be incurred in connection with the Partnership's continuous public filing obligations. The Partnership will be required to sell assets from time to time to pay such ongoing operating and administrative expenses. The General Partner will pay any such administrative and operating expenses to the extent that such expenses in the aggregate exceed these applicable capped annual amounts during the term of the Partnership.

The General Partner may also be entitled to receive a performance fee from the Partnership (the "Performance Fee") payable on the earlier of (a) the business day prior to the date of the Mutual Fund Roll-Over Transaction (as defined below) and (b) the business day immediately prior to the date of dissolution or termination of the Partnership (the "Performance Fee Date"), equal to 20% of the amount that is equal to the product of (i) the number of Units outstanding on the Performance Fee Date and (ii) the amount by which the Net Asset Value per Unit on the Performance Fee Date plus any distributions per Unit paid until the Performance Fee Date exceeds $11.20. The Performance Fee will be paid to the General Partner for distribution to the Investment Manager and the Investment Fund Manager in cash before any assets of the assets are exchanged as part of a Mutual Fund Roll-Over Transaction (as defined below) or the dissolution or termination of the Partnership. The General Partner will pay the Investment Manager and the Investment Fund Manager a portion of the Performance Fee.

Accilent Capital Management is also acting as Agent for the Offering and may charge certain of the Resources Issuers fees from time to time, including without limitation commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. The Partnership does not participate in such fees. Accilent is controlled by the same individuals who control the General Partner and the Investment Manager and accordingly the Partnership is a "related issuer" and "connected issuer" of Accilent for the purposes of Applicable Securities Laws.

Distributions

Where deemed optimal by the Investment Manager to conform to the Investment Objective of the Partnership and to attempt to manage risk, the Investment Manager may sell a portion of the portfolio of Resource Issuers. The proceeds from such sales may be distributed to the Limited Partners to enhance liquidity. There is no requirement for such distributions to be made. It is anticipated that the net proceeds from the sale of any assets of the Partnership during the term of the Partnership will be used to pay ongoing expenses and be reinvested in accordance with the Investment Strategy. However, the Investment Manager may determine, in its sole discretion, to make a distribution to the Limited Partners. Any such distribution may not be sufficient to satisfy a Limited Partner's tax liability for any given taxation year arising from his or her status as a Limited Partner.

Limited Liability

The General Partner has unlimited liability for the liabilities and obligations of the Partnership. The liability of each of the Limited Partners will be limited to his or her capital contribution and his or her pro rata share of the undistributed Income of the Partnership.

There is a risk that, under certain circumstances, the limited liability of Limited Partners may be lost. For example, a Limited Partner who takes part in the management or control of the business of the Partnership or transacts any business for the Partnership may lose his or her limitation of liability. The General Partner will operate the Partnership in such a manner as to ensure to the greatest possible extent that the limited liability of the Limited Partners is maintained.

Fiscal Year

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

Accounting and Reporting

The General Partner will file and, if required by applicable law, deliver within the prescribed period of time to each Limited Partner, such financial statements (including the annual audited financial statements and interim unaudited financial statements)

and other reports as are from time to time required by applicable law, subject to any exemption from such requirements that is available or may be obtained from regulatory authorities pursuant to applicable securities laws. The financial statements will be prepared in accordance with Canadian generally accepted accounting principles.

The General Partner shall forward information in a suitable form to enable a Limited Partner to complete his or her income tax reporting relating to his or her interest in the Partnership by March 31 (or as soon as possible thereafter) each year to each Limited Partners of record on December 31 of the preceding fiscal year. The General Partner shall keep adequate books and records reflecting the activities of the Partnership. A Limited Partner or his duly authorized representative shall have the right to examine the books and records of the Partnership during normal business hours at the offices of the General Partner.

Meetings of Partners

The General Partner may convene a meeting of the Limited Partners at any time and is required to convene a meeting on receipt of a request in writing of Limited Partners holding, in the aggregate, 10% or more of the 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.

A notice of a meeting of the Partners will be given not less than 21 days and not more than 60 days before the meeting and will specify the nature of all business to be transacted. All Partners may attend the meeting personally or be represented by proxy.

A quorum for any meeting of Partners consists of two or more Limited Partners present in person or by proxy representing at least 5% of the Units then outstanding, except a meeting to consider a Special Resolution (being a resolution to be passed by 66 and 2/3% or more of the votes cast at a meeting held to consider such proposal) at which two or more Limited Partners present in person or by proxy representing at least 20% of the Units then outstanding will constitute a quorum.

Except as set forth below, all decisions at a meeting of Partners may be made by Ordinary Resolution.

Decisions on the following matters require approval by Special Resolution in order to be effective:

(a) any amendment or rescission of a Special Resolution;

(b) any amendment to the Partnership Agreement including to the Investment Strategy, Investment Objective and Investment Criteria;

(c) the removal of the General Partner and appointment of a successor as provided in Section 15.1 of the Partnership Agreement;

(d) the waiver of any default of the General Partner and release of the General Partner from any claims in respect thereof;

(e) the subdivision or consolidation of Units;

(f) the continuation of the Partnership if it is terminated by operation of law;

(g) any agreement to any compromise or arrangement by the Partnership with any creditors or with the holders of any shares or securities of the General Partner;

(h) requiring the General Partner to enforce obligations of Limited Partners;

(i) the dissolution of the Partnership;

(j) the sale of all or substantially all of the assets of the Partnership;

(k) the change of the fiscal year end of the Partnership; and

(l) the approval of any transaction made outside of the ordinary course of business of the Partnership.

Authority of General Partner to Manage Partnership Business

Subject to the Partnership Agreement and any delegation of its powers properly authorized thereunder, the General Partner has the power and exclusive authority to manage the business and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner is required to exercise its powers and discharge its duties under the Partnership Agreement honestly, in good faith and in the best interests of the Limited Partners and the Partnership. The General Partner is required to exercise the degree of care, diligence and skill that a reasonably prudent general partner would exercise in similar circumstances in discharging its duties. Certain restrictions are imposed on the General Partner and certain actions require the approval of the Limited Partners by Special Resolution. The General Partner cannot dissolve the Partnership, wind up its affairs, or affect a sale or other disposition of its assets except in accordance with the provisions of the Partnership Agreement.

The officers of the General Partner shall devote the time and effort necessary to adequately promote the interests of the Partnership and the mutual interests of the Limited Partners

Change or Resignation of General Partner

The General Partner may resign as the general partner of the Partnership at any time after receiving approval by Ordinary Resolution and on not less than 180 days written notice to all Limited Partners. Except in the case of the dissolution of the Partnership, at the time of resignation, a qualified successor to the General Partner shall have been appointed in accordance with the terms of the Partnership Agreement. In the event of the bankruptcy, dissolution, liquidation, insolvency or winding-up or the making of any assignment for the benefit of creditors of the General Partner or the appointment of a trustee, receiver, receiver and manager or liquidator, or following any event permitting a trustee, receiver or receiver and manager to administer the affairs of the General Partner, provided that the trustee, receiver, receiver and manager or liquidator performs its functions for 60 consecutive days, a new general partner shall be appointed by the Limited Partners by Ordinary Resolution within 180 days' notice of such event. The Limited Partners may at any time remove the General Partner by Ordinary Resolution and appoint a new general partner in its place if the General Partner commits fraud, 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. In addition, the Limited Partners may also remove the General Partner and appoint a successor at any time after December 31, 2020 if the Partnership has not been liquidated prior thereto, provided such removal has been approved by Special Resolution.

Indemnification of Limited Partners and Liability of General Partner

The General Partner will indemnify and hold harmless each Limited Partner from any and all losses, liabilities, expenses and damages suffered by such Limited Partner where the liability of such Limited Partner is not limited, only if such loss of limited liability was caused by an act or omission of the General Partner or by fraud, 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 except where the lack or loss of limited liability is also caused by an act or omission of such Limited Partner or a change in any applicable legislation. Such indemnity will apply only with respect to losses in excess of the agreed 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 fraud, 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. The amount of any such indemnity will be limited to the extent of the assets of the General Partner and will under no circumstance include the assets of the General Partner's parent corporation or any Affiliate of the General Partner. Except for the foregoing matters, the General Partner will not otherwise be called upon or be liable to indemnify the Partnership or any Limited Partner.

The General Partner has unlimited liability for the undertakings, liabilities and obligations of the Partnership. The General Partner will not be liable to the Limited Partners for any mistakes or errors in judgment, or for any act or omission believed by it in good faith to be within the scope of the authority conferred upon it by the Partnership Agreement (other than an act or omission which is in contravention of the Partnership Agreement or which results from or arises out of negligence or willful misconduct in the performance of, or willful disregard of, the obligations or duties of the General Partner under the Partnership Agreement) or for any loss or damage to any of the property of the Partnership attributable to an event beyond the control of the General Partner or its Affiliates. The General Partner has limited financial resources which will affect its ability to indemnify Limited Partners. See "Risk Factors".

Indemnity of the General Partner, Investment Manager, and the Investment Fund Manager by the Limited Partners

Each Limited Partner is required to indemnify and hold harmless the Partnership, the General Partner and the Investment Manager, the Investment Fund Manager, and each other Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by the Partnership, the General Partner or the other Limited Partners by reason of misrepresentation or breach of any of the warranties or covenants of such Limited Partner set out in the Partnership Agreement.

Allocation of Income, Loss and Eligible Expenditures

Subject to payment of the Performance Fee 99.99% of Income for each fiscal year will be allocated to the Limited Partners of record on December 31 of each such fiscal year and 0.01% such Income will be allocated to the General Partner at the end of each such fiscal year. 100% of the Loss for each fiscal year will be allocated at the end of each fiscal year to the Limited Partners of record on December 31 of each such fiscal year.

The Partnership will allocate all Eligible Expenditures renounced to it by Resource Issuers with an effective date in a particular fiscal year *pro rata* to the Limited Partners of record at the end of that fiscal year, and will make such filings in respect of such allocations as are required by the Tax Act. The Partnership will, to the extent possible, allocate such unallocated Eligible Expenditures *pro rata* among the remaining Limited Partners. If Eligible Expenditures of the Partnership are reduced by the limited recourse amount applicable to a particular Limited Partner, such reduction shall first reduce that Limited Partner's *pro rata* share of the Eligible Expenditures and, to the extent necessary, an appropriate adjustment to the Income or Loss, as applicable, which is allocated to such Limited Partner will be made.

The Power of Attorney

The Subscription Agreement and the Transfer Form and Power of Attorney to be executed by a Subscriber or a transferee of a Unit, respectively, include an irrevocable power of attorney coupled with an interest authorizing the General Partner on behalf of the Limited Partner among other things to execute the Partnership Agreement and the Investment Management Agreement, any amendments to the Partnership Agreement and the Investment Management Agreement, and all instruments necessary to reflect the Mutual Fund Roll-Over Transaction dissolution of the Partnership and partition of assets distributed and Limited Partners on dissolution, as well as to execute, under seal or otherwise, any instrument, deed or document required in carrying on the business of the Partnership as authorized by the Partnership Agreement, to attend to certain formalities required to record changes in the ownership of Units and amendments to the Partnership Agreement to maintain the good standing of the Partnership, to make elections or designations under tax statutes and to apply for government incentives. The power of attorney does not include the authority to transfer a Limited Partner's interest in Units (except in circumstances where a Limited Partner has become a non-resident of Canada) or to execute any proxy on behalf of any Limited Partner or to vote on behalf of any Limited Partner. By purchasing Units, each Limited Partner acknowledges and agrees that he or she 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 survives any dissolution of the Partnership.

Mutual Fund Roll-Over Transaction

To provide the potential for enhanced liquidity and long-term growth of capital on a tax-enhanced basis, the Investment Manager, may attempt to complete a transaction (the "Mutual Fund Roll-Over Transaction") pursuant to which, after the payment of the final Management Fee (as defined herein) and the Performance Fee (as defined herein), if any, to the General Partner and the Investment Manager, and the Investment Fund Manager and the payment of all other outstanding liabilities of the Partnership, all assets of the Partnership will be transferred to a mutual fund corporation, on a tax deferred basis, in exchange for mutual fund shares ("Fund Shares") of the mutual fund corporation following which the Fund Shares would be distributed to the Limited Partners *pro rata* on a tax deferred basis upon the-dissolution of the Partnership. The Mutual Fund Roll-Over Transaction will be subject to the agreement of the General Partner, the Investment Manager and the mutual fund corporation and to obtaining any necessary regulatory approvals, as well as compliance with all applicable laws. There can be no assurance that such transaction will receive the necessary regulatory approvals. *It is the current intention of the Investment Manager to develop and register such a mutual fund corporation, and/or to develop a relationship with another mutual fund corporation, though there is no assurance that it will be able to do so.* Limited Partners would receive the shares of the mutual fund corporation on a tax deferred basis, following the dissolution of the Partnership. Any such Mutual Fund Roll-Over Transaction would be implemented on not less than 21 days' prior written notice to Limited Partners. If the Investment Manager decides to implement the Mutual Fund Roll-Over Transaction, the Mutual Fund Roll-Over Transaction will require the mutual agreement of the General Partner, the Investment Manager and the mutual fund corporation which is under no obligation to complete such transaction, and obtaining the approval of all necessary regulatory authorities, which may not be obtained, and compliance with all applicable laws (which may require the specific approval of the Limited Partners). The Mutual Fund Roll-Over Transaction will not be implemented if the Investment Manager determines that it would prospectively or retrospectively affect the status of the Flow-Through Shares as flow-through shares for income tax purposes or if there is another market reason not to do. The Partnership Agreement states that, if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise fully monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner. At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. At that time, the Partnership will primarily own shares of Resource Issuers and cash.

The terms of the Mutual Fund Roll-Over Transaction will provide for the receipt by the Partnership of all necessary regulatory approvals and the requirements of applicable law, regulations and policies which may result in specific Limited Partner approval of the Mutual Fund Roll-Over Transaction being required notwithstanding that the ability to provide such approvals to the extent possible have been granted to the General Partner by way of power of attorney. The completion of any such transaction will also be subject to the receipt of exemptions, if any, under National Instrument 81-102 to the extent that the assets of the Partnership being transferred to the mutual fund corporation may conflict with the investment restrictions of that National Instrument. There can be no assurances that the Mutual Fund Roll-Over Transaction will receive the necessary regulatory approvals.

Dissolution of the Partnership

Unless dissolved earlier upon the occurrence of certain events stated in the Partnership Agreement, the Partnership will terminate by or on March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner. At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership and the net assets of the Partnership will be distributed to the Limited Partners and the General Partner unless the Mutual Fund Roll-Over Transaction is implemented by the General Partner.

The General Partner or its designee shall ensure that, to the extent practicable, the assets of the Partnership are converted to cash prior to termination of the Partnership. Should the liquidation of certain securities not be practicable or appropriate prior to such

termination date, those securities will be distributed to the Partners in specie on such date. The market for such securities may be limited due to factors such as fluctuations in trading volumes and prices and such securities may be subject to resale restrictions which may restrict the ability of the Partnership or, in the case of an in specie distribution, the Limited Partners from disposing of such shares until applicable statutory hold periods have expired. The Partnership Agreement provides that the Partnership and the General Partner will prior to the termination of the Partnership use their best efforts to obtain such regulatory relief as may be appropriate to eliminate any such resale restrictions. However, the granting of such relief is at the discretion of applicable regulatory authorities.

DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

Compensation and Securities Held

The following table sets out information about each director and officer of the General Partner and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Partnership (each, a "principal holder").

Name and Municipality of Principal Residence	**Daniel C. Pembleton, Toronto, Ontario**	**Paul J. Crath, Toronto, Ontario**
Positions Held (e.g., Director, Officer, Promoter and/or Principal Holder) and the Date of Obtaining That Position	Director, President and CEO since September 25, 2012	Vice-President and Secretary since September 25, 2012
Compensation Paid by the Issuer Since Inception and the Compensation Anticipated to be Paid in the Current Financial Year	Nil	Nil
Number and Percentage of Securities of the Issuer Held After Completion of Minimum Offering	Nil	Nil
Number and Percentage of Securities of the Issuer Held After Completion of Maximum Offering	Nil	Nil

The General Partner may be considered to be the promoter of the Partnership. The controlling shareholder of Accilent Capital Management Inc. is Daniel C. Pembleton.

The General Partner will receive a management fee equal to 2.25% of the Net Asset Value of the Partnership per annum calculated and payable monthly. In addition, the General Partner may be entitled to a performance fee. These fees will be shared with the Investment Manager and the Investment Fund Manager. See "Business of the Partnership - General Partner".

Management Experience

The following table provides the principal occupations of the directors and executive officers of the General Partner and the relevant business experience of such individuals:

Daniel C. Pembleton, MBA, CFA

Dan Pembleton MBA, CFA, founded Accilent Capital Management Inc. in 2002 to provide investment advisory services for third party and proprietary funds, individual managed accounts, and structured investments. He has been working in the financial industry as a trader and portfolio manager for 20 years. Nearly a decade of this time was spent with RBC Dominion Securities in institutional fixed income where he rose to the level of Vice-President Global Money Markets.

Mr. Pembleton is a Commodity Trading Manager (CTM).

Mr. Pembleton's education includes an Honours BA from Brock University, an MBA from Western's Ivey School of Business and a Chartered Financial Analyst (CFA) designation in 1998 from the CFA institute.

(Also see "Investment Manager")

Paul J. Crath, JD

Mr. Crath has extensive experience as a merchant banking and mergers and acquisitions executive, financier, business development, legal and strategic advisor to family investors, chief executive officers, boards and owners of growing companies and fund management companies. In such role Mr. Crath acts a Senior Managing Consultant to Accilent Capital Management Inc. and is an officer of several general partnerships associated with financial products managed by Accilent Capital Management Inc.

Alongside Mr. Gerry McCarvill, a royalty investment pioneer and prominent resource and specialty finance investor Mr. Crath is the President and Chief Executive Officer of Norvista Science & Technology Inc. and President and Chief Operating Officer of Prince Arthur Capital Corporation.

Specialty finance investments made by Mr. McCarvill, Mr. Crath and his network include Contract Capital Inc., a cloud-based IT finance business and Medical Bancorp Group Inc., a medical factoring business, where Mr. Crath acts as a Director and plays corporate developments roles at each company.

Mr. Crath is also currently a Managing Director of Tarra Partners Inc., a private merchant bank that acts as investment principal and/or provides certain advisory services in the areas of real estate, infrastructure and private equity and lending transactions.

Until recently, Mr. Crath was a Managing Director actively involved in finance, origination and corporate development for Norvista Resources Corporation., a mining merchant bank formed by (who, along with his network, have been early stage investors and drivers of multiple resource companies including without limitation gold, iron-ore, and uranium companies) and who are currently managing a portfolio of pro-active mining investments in various public mining companies. Mr. Crath was also a Managing Director of Norvista Capital Corporation (TSXV: NVV), a public resource merchant bank he helped structure and develop. He provides on-going advisory services for both companies.

Mr. Crath is a former Vice-President and Principal of Tricaster Capital Corporation, a family investment company and merchant bank focused on private equity investments primarily in the IT and telecommunication industries that he co-founded with members of the Campbell family of Toronto.

He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings. He has a Juris Doctor Degree (JD) from Osgoode Hall Law School at York University and is a Member of the New York State Bar Association.

Mr. Crath is a non-executive director of McLaren Resources Corporation (CNSX: MCL) and Nebu Resources Inc. (TSXV: NBU). He is the President and Chief Executive Officer and Director of Highvista Gold Inc (TSXV; HVV) and is a director of Marquest Asset Management Inc., a private asset management and fund company.

Other Limited Partnerships Managed by the General Partner

The General Partner is also the general partner of Pavilion Flow-Through L.P. (2013) 1, which closed its unit offering on August 31, 2013 (the "(2013) 1 Partnership") raising $991,500.00 at a price of $10.00 per Unit, the general partner of Pavilion Flow-Through L.P. (2013) 2, which closed its unit offering on December 31, 2013 (the "(2013) 2 Partnership") raising $2,879,500.00 at a price of $10.00 per Unit, the general partner of Pavilion Flow-Through L.P. (2014) 1, which closed its unit offering on November 27, 2014 (the "(2014) 1 Partnership") raising $1,034,000 at a price of $10.00 per Unit, the general partner of Pavilion Flow-Through L.P. (2014) 2, which closed its unit offering on December 31, 2014 (the "(2014) 2 Partnership") raising $1,146,000 at a price of $10.00 per Unit and the general partner of Pavilion Flow-Through L.P. (2015) 1, which closed its unit offering on December 31, 2015 (the "(2015) 1 Partnership") raising $683,500.00 at a price of $10.00 per Unit . The (2013) 1 Partnership's, (2013) 2 Partnership's, offerings are now closed. The (2013) 1 Partnership, (2013) 2 Partnership, (2014) 1 Partnership, (2014) 2 Partnership and (2015) 1 Partnership own flow-through shares of companies involved in the exploration and/or development of natural resources, oil and gas or alternative energy sectors located in Canada.

Penalties, Sanctions and Bankruptcy

None of the directors, executive officers or control person of the General Partner or the Partnership, nor any issuer of which any such person was a director, executive officer or control person, has been subject to any penalty or sanction that has been in effect during the last 10 years, nor has any of them made any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years.

CAPITAL STRUCTURE

Capital and Prior Sales

Subscribers of Units of the Partnership will be governed by the terms of the Partnership Agreement. All Subscribers will be subject to the terms of the Partnership Agreement. The following table provides relevant information about the outstanding securities of the Partnership:

Description Of Security	*Number Authorized To Be Issued*	*Number Outstanding As At Date Hereof*	*Units Outstanding After Maximum Offering*
Units	2,000,000	1(1)	2,000,000

(1) This Unit was acquired by the Initial Limited Partner upon the formation of the Partnership. On the completion of the initial closing of the Offering, the Initial Limited Partner's Unit will be surrendered for cancellation.

Long Term Debt

Neither the Partnership nor the General Partner has any debt nor do they intend to incur any long term debt during the term of the Partnership.

SECURITIES OFFERED

Terms of Securities

The Partnership is authorized to issue a minimum of 1 and a maximum of 2,000,000 Units. Each Unit will be entitled to one vote. Each Unit ranks equally with all other Units in respect of distributions, liquidation and winding up of the Partnership. For additional details of the terms of the Units, please see "The Partnership Agreement".

Subscription Procedure

The Units are offered for sale if, as and when issued by the Partnership during the period (the "Offering Period"), which is intended to end on November 30, 2016. The General Partner reserves the right to leave the offering open for a longer period at its sole discretion. The Subscription Price of the Units are $10 per Unit payable in full at time of subscription, with a minimum subscription of 1000 Units, and thereafter in multiples of 100 Units each ($1,000) for larger subscriptions. Subscribers resident in Ontario and purchasing more than 1000 Units and fewer than 15,000 Units must be Accredited Investors.

Subscribers are required to execute the Subscription Agreement and, the completed certification of the Subscriber's status as an Accredited Investor or as an Eligible Investor and a Risk Acknowledgement Form all as attached to the Subscription Agreement.

If there is a misrepresentation in this Offering Memorandum, a Subscriber has the right to sue either for damages or to cancel the agreement. See "Purchasers' Rights".

After each closing, it is expected that a certificate representing the Units will be available for delivery as soon as feasible.

The General Partner will be responsible for collecting Subscription Agreements and Subscription Price from Subscribers and the Selling Agents. If the Minimum Offering is not completed on or prior to November 30, 2016, unless extended herein, the General Partner will return same. Prior to November 30, 2016 the General Partner will remit the Selling Agents' Fees to the Selling Agents and remit the balance to the Partnership upon the occurrence of a Closing.

The General Partner is not obligated to and may refuse to accept any subscription in whole or in part. If a subscription for Units is not accepted or accepted in part, the appropriate monies will be returned to the Subscriber without interest or deduction. Subscriptions for Units of the Partnership must be made by completing the Subscription Agreement and by forwarding such agreement directly to the General Partner. Subscription proceeds pursuant to the Offering will be received by the General Partner pending closing. All subscription funds will be returned to Subscribers without interest or deduction as soon as possible, if the Offering is not completed because the Minimum Offering has not been subscribed for by November 30, 2016, unless such period is extended in accordance herewith.

AN INVESTMENT IN UNITS INVOLVES CERTAIN RISK FACTORS. SEE "RISK FACTORS". THERE IS NO PUBLIC MARKET FOR THE UNITS NOR IS IT EXPECTED THAT SUCH WILL DEVELOP AND, ACCORDINGLY, THIS INVESTMENT SHOULD BE CONSIDERED ONLY BY THOSE PERSONS WHO ARE ABLE TO MAKE A LONG-TERM INVESTMENT. INVESTORS WILL BE RELYING ON THE GOOD FAITH, JUDGMENT AND EXPERTISE OF THE GENERAL PARTNER AND THE INVESTMENT MANAGER WITH REGARD TO THE MANAGEMENT OF THE PARTNERSHIP BUSINESS AS DESCRIBED HEREIN.

Exemptions from Prospectus Requirement

The Units are being offered on a private placement basis in all of the Provinces and Territories of Canada, except Quebec. This Offering is being made in reliance upon exemptions from the registration and prospectus requirements contained in National instrument 45-106 ("NI 45-106") and the *Securities Act* (Ontario). Accordingly, no prospectus has been or will be filed in connection with the Offering.

Offering Memorandum Exemption

(a) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount does not exceed $10,000, complete and initial the following appendices to the Subscription Agreement:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A 1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A 2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**.

(b) If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount is **greater than $10,000**, complete and initial the following appendices to the Subscription Agreement:

  (i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A 1"**; and

  (ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A 2"**; and

  (iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**; and

(iv) the Representation Letter form of **Appendix "B"** and **Appendix "C"**, if applicable; and

(v) the Accredited Investor Risk Acknowledgement - **Appendix "D 1"**, if applicable.

Accredited Investor

Under Section 2.3 of NI 45-106 and, for residents of Ontario under the *Securities Act* (Ontario) neither registration nor a prospectus are required with respect to a distribution of the securities offered hereunder where the trade is made by the issuer with a view to the sale of securities of its own issue if the Subscriber is purchasing Units as principal and is an Accredited Investor. Each Subscriber relying on this exemption must complete the Accredited Investor Certification attached as Appendix "D" to the Subscription Agreement.

Potential Subscribers resident in Ontario should contact their advisors to determine if they qualify as Accredited Investors and in, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories whether they qualify as Accredited Investors or Eligible Investors. For Eligible Investor refer to the Offering Memorandum Exemption above.

$150,000 Minimum Purchase Exemption

Under Section 2.10 of NI 45-106, and, for residents of Ontario, under the *Securities Act* (Ontario), states that neither registration nor a prospectus are required with respect to a distribution of the securities offered hereunder where the purchaser is purchasing as principal and invests not less than $150,000 to purchase Units. A Subscriber relying on this exemption need not complete the Accredited Investor or the Eligible Investor Form. Please note that you will not be allowed to participate in the Offering with reliance on the $150,000 exemption if you are an "individual" which is generally defined under securities laws as a natural person, but does not include (a) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, or (b) a natural person in the person's capacity as a trustee, administrator or personal or other legal representative.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Tax considerations ordinarily make the Units offered hereunder most suitable for taxpayers whose income is subject to the highest marginal rates of tax. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of their *merits* as an investment and on a Subscriber's ability to bear the loss of the investment.

You should consult your own professional advisers to obtain independent advice on the tax consequences that apply to you.

INVESTORS ACQUIRING UNITS WITH A VIEW TO OBTAINING TAX ADVANTAGES SHOULD OBTAIN INDEPENDENT TAX ADVICE FROM A KNOWLEDGEABLE TAX ADVISOR.

In the opinion of Blaney McMurtry LLP, the following is a fair and accurate summary, as of the date of this Offering Memorandum, of the principal Canadian federal income tax consequences under the Tax Act and the regulations thereto for a Limited Partner acquiring, holding and disposing of purchased Units pursuant to this Offering. This summary only applies to Limited Partners who are and remain, at all relevant times, resident in Canada for purposes of the Tax Act and who will hold their Units as capital property. Units will generally be considered to be capital property to a Limited Partner unless such Limited Partner holds Units in the course of carrying on a business or has acquired the Units as part of an adventure in the nature of trade. This summary also assumes that Flow-Through Shares of Resource Issuers to be acquired by the Partnership will be capital property to the Partnership. For clarity, there is no assurance the CRA will regard the Flow-Through Shares as capital property. It is also assumed that all partners of the Partnership are and will be resident in Canada at all relevant times and that Units that represent more than 50% of the fair market value of all interests in the Partnership are not and will not be held by financial institutions (as that term is defined in the Tax Act) at all relevant times.

Unless stated otherwise, this summary assumes that recourse for any financing by a Limited Partner of the Subscription Price for Units is not limited and is not deemed to be limited for the purposes of the Tax Act. Generally speaking, any Limited Partner who acquires Units with a financing where the recourse against the Limited Partner is limited, which has a term in excess of 10 years (which may include a demand loan) or in respect of which interest is not paid annually within 60 days after the end of each taxation year at a rate equal to or greater than the lesser of the prescribed rate under the Tax Act in effect (i) at the time the indebtedness arose; and (ii) from time to time during the term of the indebtedness, will have, or will be deemed to have, incurred a limited-recourse amount such that all or a portion of the deductions set out herein may not be available to the Limited Partner (see "Canadian Federal Income Tax Considerations Limitation on Deductibility of Expenses or Losses of the Partnership"). **Limited Partners who intend to borrow to finance the purchase of Units should consult their own tax advisors.**

This summary also assumes that a Limited Partner will at all relevant times deal at arm's length, for the purposes of the Tax Act, with the Partnership and with each of the Resource Issuers with which the Partnership has entered into a Flow-Through Investment Agreement. This summary is not applicable to a Limited Partner (i) that is a "financial institution" as defined in subsection 142.2(1) of the Tax Act, (ii) that is a "principal business corporation" for the purposes of subsection 66(15) of the Tax Act, (iii) 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, or (iv) an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act.

This summary is based upon the assumptions that the Partnership and any other partnership of which the Partnership is a member is dealing, and will deal at all relevant times, at arm's length for purposes of the Tax Act with any Resource Issuer with which it has entered into a Flow-Through Investment Agreement and that the Resource Issuer does not and will not have a "prohibited relationship", within the meaning of the Tax Act, with the Partnership or any other partnership of which the Partnership is a member.

The income tax consequences for a Limited Partner will depend upon a number of factors, including whether the Units held by the Limited Partner are characterized as capital property, the province or territory in which the Limited Partner resides, carries on business or has a permanent establishment, the amount that would be the Limited Partner's taxable income but for the Limited Partner's interest in the Partnership, and the legal status of the Limited Partner as an individual, corporation, trust or partnership.

This is only a general summary and a prospective Subscriber should not consider it to be legal or tax advice. A prospective Subscriber should obtain independent advice from a tax advisor who is knowledgeable in the area of income tax consequences of investing in the Partnership based on his or her own particular circumstances. A prospective subscriber that proposes to use borrowed funds to acquire Units should consult their own tax advisors before doing so. See "Interest Expense or Money Borrowed to Acquire Units" and "Limitation on Deductibility of Expenses or Losses of the Partnership" in this regard.

This summary is based upon the facts set out in this Offering Memorandum, the current provisions of the Tax Act including the regulations (the "Regulations") thereunder and the counsel's understanding of the current published administrative practices of the Canada Revenue Agency ("CRA"). The summary also takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof but not withdrawn (the "Tax Proposals") and assumes that they will be enacted in the form proposed. There is no certainty that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in laws whether by judicial, governmental or legislative decision or action nor does it take into account provincial or foreign income tax legislation or considerations.

Computation of Income

The Partnership itself is not liable for income tax and is only required to file an annual information return. The Partnership is required to compute its Income (or Loss) in accordance with the provisions of 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, including the amount of Eligible Expenditures renounced to it. Subject to the restrictions described below under "Limitation on Deductibility of Expenses or Losses of the Partnership", each Limited Partner will be required to include (or be entitled to deduct) in computing income, a proportionate share of the Income (or Loss) of the Partnership as allocated pursuant to the Partnership Agreement for the fiscal period of the Partnership ending in the Limited Partner's taxation year. A Limited Partner's share of the Partnership's Income (or Loss) must be included in determining the Limited Partner's Income (or Loss) for the year, whether or not any distribution of Income has been made by the Partnership. The fiscal year of the Partnership ends on December 31 and will end as a result of the dissolution of the Partnership.

Amounts relating to Eligible Expenditures renounced to the Partnership will be taken into account directly by the Limited Partners in computing their income as described below. The Income of the Partnership will include the taxable portion of capital gains (one-half of capital gains) that may arise on the disposition of Flow-Through Shares. The Tax Act deems the cost to the Partnership of any Flow-Through Share which it acquires to be nil and, therefore, the amount of such capital gain will generally equal the proceeds of disposition of the Flow-Through Shares, net of any reasonable costs of disposition. The Income of the Partnership will also include any interest earned on funds held by the Partnership prior to 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 are eligible capital expenditures, three-quarters of which may be deducted by the Partnership at the rate of 7% per year on a declining balance basis. Agent and Selling Agents' Fees and Issue Expenses incurred by the Partnership (to the extent that they are reasonable in amount) will generally be deductible by the Partnership as to 20% in the year of payment, and as to 20% in each of the four subsequent years, prorated for short taxation years. The Partnership will not be entitled to deduct any amount in respect of such expenses in the fiscal year ending on its dissolution. After dissolution of the Partnership, Limited Partners will be entitled to deduct, at the same rate, their pro rata share of any such expenses that were not deducted by the Partnership. The adjusted cost base of a Limited Partner's Units will be reduced on dissolution of the Partnership by the Limited Partner's share of such expenses.

Where the Partnership is a member of another limited partnership, Eligible Expenditures, gains, income and losses incurred or realized or earned by the other partnership will, in general, be determined in the manner applicable to the Partnership as described in this summary and allocated to the Limited Partners at the end of the fiscal period of the Partnership in which the fiscal period of the other partnership ends.

Adjusted Cost Base of Units

Subject to any adjustments required by 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 any capital gains realized by the Partnership) and reduced by any share of losses (including a pro rata share of any capital losses realized by the Partnership) and any CEE allocated to the Limited Partner, and the amount of any distributions made to the Limited Partner from the Partnership in respect of the Unit.

Where the total of any such reductions to the adjusted cost base of a Unit exceeds the original cost of the Unit plus any such increases to the adjusted cost base of the Unit at the end of a fiscal period of the Partnership, such excess ("negative amount") will be deemed to be a capital gain of the Limited Partner in respect of the Unit at that time. While there can be no assurance, it is not anticipated that original Limited Partners will realize such a capital gain.

Eligible Expenditures

Provided that certain conditions in the Tax Act are complied with, the Partnership will be deemed to have incurred, on the effective date of renunciation, Eligible Expenditures that have been renounced (directly or indirectly through other partnerships) to the Partnership by a Resource Issuer pursuant to a Flow-Through Investment Agreement entered into by the Partnership and the Resource Issuer. See "The Partnership - Investment Agreements".

Generally, an issuer of Flow-Through Shares may incur Eligible Expenditures, which are available for renunciation, commencing on the date the Flow-Through Investment Agreement is entered into.

Certain corporations with "taxable capital" as that term is defined in the Tax Act of not more than $15,000,000 may, generally speaking, renounce up to $1,000,000 annually of certain CDE to subscribers of Flow-Through Shares ("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 and will be added to their cumulative CEE on the basis described below.

Provided that certain conditions are met, the issuer of the Flow-Through Shares will be entitled to renounce to the Partnership, effective December 31 of the year in which its Flow-Through Investment Agreement was entered into, Eligible Expenditures incurred by it on or before December 31 (and renounced during the first three months) of the subsequent calendar year. Any such Eligible Expenditures properly so renounced by the issuer to the Partnership effective December 31 of the year in which the agreement was entered into may be allocated by the Partnership to Limited Partners, also effective on December 31 of that year.

The General Partner will cause the Partnership to ensure that if a Flow-Through Investment Agreement entered into during 2016 permits a Resource Issuer to incur Eligible Expenditures at any time up to December 31, 2017, the Resource Issuer will agree to renounce such Eligible Expenditures to the Partnership with an effective date of no later than December 31, 2016.

To the extent Resource Issuers do not incur the requisite amount of Eligible Expenditures on or before December 31, 2017, the Eligible Expenditures renounced to the Partnership, and consequently the Eligible Expenditures allocated to the Limited Partners, will be adjusted downwards effective in the prior year. However, none of the Limited Partners will be charged interest before May, 2018, by the CRA on any unpaid tax resulting from such reduction in allocated Eligible Expenditures.

Eligible Expenditures allocated to a Limited Partner are not deducted by him, her or it. Rather, a Limited Partner who continues to be a Limited Partner at the end of a particular fiscal period of the Partnership will be entitled to include in the computation of his or her cumulative CEE account, his or her share of the Eligible Expenditures renounced to the Partnership effective in that fiscal period allocated to him or her on a *pro rata* basis based on the number of Units held by such Limited Partner at the end of the applicable fiscal period, or in the event of the dissolution of the Partnership, on the date of dissolution. In the computation of income for purposes of the Tax Act from all sources for a taxation year, an individual or a corporation may deduct up to 100% of the balance of his or her cumulative CEE account. Certain restrictions apply in respect of the deduction of cumulative CEE following an acquisition of control of, or certain corporate reorganizations involving a corporate Limited Partner.

A Limited Partner's share of Eligible Expenditures renounced to the Partnership in a fiscal year is limited to his or her "at-risk" amount in respect of the Partnership at the end of the fiscal year. If the Limited Partner's share of the Eligible Expenditures is so limited, any excess will be added to his or her share, as otherwise determined, of the Eligible Expenditures incurred by the Partnership for the immediately following fiscal year (and will be potentially subject to the application of the "at-risk" rules in that year).

The undeducted balance of a Limited Partner's cumulative CCEE account may be carried forward indefinitely. The cumulative CCEE account balance is reduced by deductions in respect thereof by a Limited Partner made in prior taxation years and by a Limited Partner's share of any amount that he, she, it or the Partnership receives or is entitled to receive in respect of assistance or benefits in any form that relate to the Limited Partner's investment in the Partnership. If, at the end of a taxation year, the reductions in calculating cumulative CEE exceed the aggregate of the cumulative CEE balance at the beginning of the taxation year and any additions thereto, the excess must be included in income for the taxation year and the cumulative CCEE account will then be adjusted to a nil balance.

Any undeducted addition to a Limited Partner's cumulative CCEE account which has been allocated to a Limited Partner will remain with the Limited Partner after a disposition of his or her Units or Flow-Through Shares. A Limited Partner's ability to deduct such expenses will not be restricted as a result of his or her prior disposition of Units unless a claim in respect of his or her Eligible Expenditures has been previously reduced by virtue of the application of the "at-risk" rules. In such instances, the Limited Partner's future ability to deduct such expenses relating to the Partnership may be eliminated.

Interest Expense on Money Borrowed to Acquire Units

In computing a taxpayer's income, the taxpayer may deduct interest expense on money borrowed that is used for the purpose of earning income from a business or property. Therefore, in computing a Limited Partner's income, generally the Limited Partner can deduct a reasonable amount in respect of a legal obligation to pay interest on money he, she or it borrows for the purpose of acquiring Units. Subject to restrictions in the Tax Act, interest can continue to be deductible where there is a loss of the source of income connected to the borrowing. A Limited Partner that proposes to use borrowed funds to acquire Units should consult his or her own tax advisors in this regard.

Limitation on Deductibility of Expenses or Losses of the Partnership

Subject to the following limitations, a Limited Partner's share of the business losses of the Partnership for any fiscal year may be applied against the Limited Partner's income from any other source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three years and forward twenty years and applied against taxable income of such other years.

The Tax Act limits the amount of deductions, including Eligible Expenditures and losses, that a Limited Partner may claim as a result of an investment in the Partnership to the amount that the Limited Partner has contributed to the Partnership or otherwise has "at-risk" in respect thereof. 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 of the 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" for purposes of the Tax Act. The Units are "tax shelter investments" and will be registered with the CRA under the "tax shelter" registration rules. If any Limited Partner has funded the acquisition of Units with a financing for which recourse is or is deemed to be limited (a "limited-recourse amount") within the meaning of the Tax Act or has the right to receive certain amounts

where such rights were granted for the purpose of reducing the impact of any loss that a Limited Partner may sustain by virtue of acquiring, holding or disposing of an interest in Units, the Eligible Expenditures or other expenses renounced to or incurred by the Partnership may be reduced by the amount of such financing to the extent that the financing can reasonably be considered to relate to such amounts. The Partnership Agreement provides that where Eligible Expenditures of the Partnership are so reduced the amount of Eligible Expenditures that would otherwise be allocated by the Partnership to the Limited Partner who incurs the limited-recourse financing shall be reduced by the amount of the reduction. Where the reduction of other expenses reduces the loss of the Partnership, the Partnership Agreement provides that the General Partner will have the right to make a corresponding reduction in Eligible Expenditures and to the extent necessary an appropriate adjustment to the income or loss allocated to that Limited Partner. The cost of a Unit to a Limited Partner may also be reduced by the total of limited-recourse amounts and "at-risk adjustments" that can reasonably be considered to relate to such Units held by the Limited Partner. Any such reduction may reduce the "at-risk" amount of the Limited Partner thereby reducing 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.

A limited-recourse amount means the unpaid principal of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently. A limited-recourse amount is also deemed to include:

(a) debt bearing interest at less than the lesser of the rate prescribed by the Tax Act at the time the debt is incurred or the rate prescribed from time to time;

(b) debt in respect of which bona fide written arrangements were not made, at the time the debt was incurred, for repayment of principal and interest within a reasonable period not exceeding 10 years (which may include a demand loan); and

(c) debt in respect of which interest is not paid within 60 days after the end of the debtor's tax year.

Subscribers who propose to finance the acquisition of Units should consult with their own tax advisors.

Federal Investment Tax Credits

A taxpayer who is an individual (other than a trust) and is a Limited Partner at the end of a fiscal period of the Partnership may, in computing such taxpayer's federal tax payable for the taxpayer's taxation year in which the fiscal period of the Partnership ends, be entitled to claim a non-refundable investment tax credit of 15% of such Limited Partner's share of specified "Flow-Through Mining Expenditures" computed for the Partnership, for such fiscal period, as if it were a person and its fiscal period were its taxation year. "Flow-Through Mining Expenditures" are generally CEE related to certain surface "grass roots" mining exploration expenses, effective for Flow-Through Agreements entered into before April 1, 2016 (provided the Resource Issuer incurs or is deemed to incur in Canada before 2017 and renounces such “Flow-Through Mining Expenditures” with an effective date in 2016 in accordance with the Tax Act).

Tax Proposals extend each of the dates that are relevant for purposes of the Federal investment tax credit by one year, such that the CEE that gives rise to the Federal investment tax credit would be described as specified surface grass roots mining exploration expenses incurred or deemed incurred in Canada by a Resource Issuer before 2017 (provided the Resource Issuer renounces CEE incurred in 2017 prior to April 2017 with an effective date in 2016 in accordance with the Tax Act) under an agreement for the issuance of a Flow-Through Share made before April 2017.

The amount of CEE upon which the credit is computed would be reduced by any provincial tax credit that the Limited Partner has received, was entitled to receive or could reasonably have been expected to receive in respect of the CEE. To the extent available, if any, such Federal Investment Tax Credit can be used by a Limited Partner to reduce the tax otherwise payable in the taxation year of the Limited Partner in which the Limited Partner becomes entitled to the credit. Any unapplied portion of the credit may be claimed in the following twenty years or the preceding three years. To the extent the credit is applied in a year, the amount of the credit is deducted from the Limited Partner’s CCEE account in the following taxation year. As discussed above, where the balance of a Limited Partner’s CCEE pool is negative at the end of a taxation year, the negative amount must be included in the Limited Partner’s income for that taxation year. As such, a Limited Partner who deducts this credit for the 2016 taxation year will be required to include in his 2017 income the amount deducted unless there is a sufficient offsetting balance in his CCEE account in 2017.

Income Tax Withholdings and Installments

Limited Partners who are employees and have income tax withheld at source from remuneration paid by an employer may request the CRA to authorize a reduction of such withholding. 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 installments, take into account their share (subject to the “at-risk” rules) of the Eligible Expenditures renounced to, and any Income or Loss of, the Partnership in determining their installment remittances.

Disposition of Units in Partnership

Subject to any adjustment 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 for income tax purposes will consist of the Subscription Price of the Unit, increased by any share of Income allocated to the Limited Partner (including the full amount of any capital gains realized by the Partnership,

including on the disposition of the Flow-Through Shares) for fiscal periods ending before that time and reduced by any share of Losses (including the full amount of any capital losses realized by the Partnership), the amount of Eligible Expenditures renounced to the Partnership and allocated to him or her, and the amount of any Partnership distributions made to the Limited Partner before that time. The adjusted cost base of a Limited Partner's Units will be reduced on dissolution of the Partnership by the amount of the Issue Expenses and Agents' Fee incurred by the Partnership in respect of this Offering that are deductible by the Limited Partner as described above under "Computation of Income". Where, at the end of a fiscal period of the Partnership, including the deemed fiscal period that ends at the time immediately before dissolution 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 Partnership 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 by 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.

Generally, one-half of any capital gain (the "taxable capital gain") realized upon a disposition by a Limited Partner of Units in the Partnership will be included in the Limited Partner's income for the year of disposition, and one-half of any capital loss so realized (the "allowable capital loss") must be deducted by the Limited Partner against taxable capital gains for the year of disposition. Subject to the detailed rules in the Tax Act, any excess of allowable capital losses over taxable capital gains of the Limited Partner may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years.

Capital gains realized by an individual or certain trusts may result in a liability to pay alternative minimum tax under the Tax Act. A Limited Partner that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 10% on taxable capital gains.

A Limited Partner who is considering disposing of Units during a fiscal period of the Partnership should obtain tax advice before doing so since ceasing to be a Limited Partner before the end of the Partnership's fiscal year may result in certain adjustments to his or her adjusted cost base and will adversely affect his or her entitlement to a share of the Partnership's income or loss and Eligible Expenditures.

Dissolution of Partnership

Generally, the liquidation of the Partnership and the distribution of its assets to Limited Partners will constitute a disposition by the Partnership of such assets for proceeds equal to their fair market value and a disposition by Limited Partners of their Units for an equivalent amount. In the event the Mutual Fund Roll-Over Transaction is not implemented the Partnership will be dissolved and the Limited Partners will receive their Pro Rata share of the net assets of the Partnership. Following a dissolution of the Partnership, certain costs incurred by the Partnership in marketing the Units, including Issue Expenses and Agent's Fees that were deductible by the Partnership at a rate of 20% per annum, subject to proration for a short taxation year, will, to the extent they remain undeducted by the Partnership at the time of its dissolution, be deductible by the Limited Partners (based on their proportionate interest in the Partnership), on the same basis as they were deductible by the Partnership. A Limited Partner's adjusted cost base in his or her Units will be reduced by the aggregate of such undeducted expenses allocated to the Limited Partner. A Limited Partner's adjusted cost base in his or her Units should also be adjusted to reflect his or her share of the Partnership's income, losses and Eligible Expenditures for the Partnership's final fiscal period. In circumstances where Limited Partners receive on the dissolution of the Partnership, a proportionate undivided interest in each asset of the Partnership on the dissolution of the Partnership, and certain other requirements of the Tax Act are met, the Partnership is deemed to have disposed of its property at its cost amount and the Limited Partners are deemed to have disposed of their Units for the greater of the adjusted cost base of their Units and the aggregate of the adjusted cost bases of the undivided interests distributed to the Limited Partners plus the amount of any money distributed to the Limited Partners. Provided that under the relevant law, shares may be partitioned, it is the CRA's position that shares may be partitioned on a tax-deferred basis. The cost to a Limited Partner of his, her or its undivided interest in a share will generally be his, her or its pro rata share of the cost of the Partnership of that share. Since the adjusted cost base of Flow-Through Shares to the Partnership generally will be nil, a Limited Partner will generally acquire the partitioned Flow-Through Shares at nil cost. Consequently, a subsequent disposition of Flow-Through Shares by such a Limited Partner will result in the Limited Partner realizing substantially the whole of the proceeds of disposition as a capital gain.

Transfer of Partnership Assets to a Mutual Fund Corporation

If the Partnership transfers its assets to a mutual fund corporation pursuant to the Mutual Fund Roll-Over Transaction, provided the appropriate elections are made and filed in a timely manner, no taxable capital gains will be realized by the Partnership from the transfer. The mutual fund corporation will acquire each asset of the Partnership at the cost amount equal to the lesser of the cost amount thereof to the Partnership and the fair market value of the asset on the transfer date. Provided that the dissolution of the Partnership takes place within 60 days of the transfer of assets to the mutual fund corporation, the shares of the mutual fund corporation will be distributed to the Limited Partners with a cost for tax purposes equal to the adjusted cost base of the Units held by such Limited Partner less the amount of any money distributed to the Limited Partner and the 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 will generally not be subject to tax in respect of such transaction.

Alternative Minimum Tax on Individuals

Under the Tax Act, tax payable by an individual is the greater of the tax otherwise determined and an alternative minimum tax. In calculating taxable income for the purpose of computing the alternative minimum tax, a tax payer must include, among other things, all taxable dividends (without application of the gross-up), and 80% of net capital gains. Various deductions and credits otherwise available are disallowed. The disallowed items include deductions claimed by the individual in respect of his or her share of Eligible Expenditures renounced to the Partnership in a particular fiscal period thereof to the extent such deductions exceed his or her share of the Partnership's Income. In computing adjusted taxable income for alternative minimum tax purposes, an exemption of $40,000 is allowed to the taxpayer who is an individual other than most *inter vivos* trusts. The federal rate of minimum tax is 15% of the amount subject to 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 but not the investment tax credit. Generally, if the minimum tax so calculated exceeds the tax otherwise payable under the Tax Act, the minimum tax will be payable.

Whether and to what extent the tax liability of a particular Limited Partner will be increased as a result of the application of the alternative minimum tax rules will depend on the amount of his or her income, the sources from which it is derived, and the nature and amounts of any deductions he or she claims.

Any additional tax payable by an individual for the year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be his or her tax otherwise payable for any such year.

Subscribers are urged to consult their tax advisors as to the potential application of the alternative minimum tax.

Non-Eligibility for Investment in Deferred Income Plans

A Unit will not be a qualified investment under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans.

Tax Shelter

The federal tax shelter identification number in respect of the Partnership has been applied for by the General Partner. The identification number issued for this tax shelter is to be included in any income tax return filed by the investor (i.e., Limited Partner). Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of any investor to claim any tax benefits associated with the tax shelter.

The General Partner will file all necessary tax shelter information returns and, where applicable, provide each Limited Partner with copies thereof.

COMPENSATION PAID TO AGENT AND SELLING AGENTS

The Partnership will engage the Agent, who in turn may engage Selling Agents for the purpose of selling Units to Subscribers. The Partnership will pay to the Agent a cash fee of up to 10.0% of the Gross Proceeds in respect of Units sold plus a 1% distribution fee. The Agent will pay the Selling Agents from the aggregate Agent's fee.

RISK FACTORS

THIS IS A SPECULATIVE OFFERING AND A BLIND POOL OFFERING. The purchase of Units involves a number of risk factors. Limited Partners may not receive any return on or repayment of their capital contributions to the Partnership. An investment in Units is appropriate only for investors who have the capacity to absorb a loss of their investment. Investors who are not willing to rely on the discretion and judgment of the General Partner, which has no operating or investment history and is expected only to have nominal assets, and the Investment Manager, should not subscribe for Units. The anticipated 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 and on an investor's ability to bear a loss of his or her 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. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following risks:

(i) ***Subscription Price***

The price per Unit paid by Subscribers may be less or greater than the Net Asset Value per Unit at the time of purchase.

(ii) ***Liquidity of Units***

There is currently no market through which the Units of the Partnership may be sold and it is unlikely that such a market will develop. The Units will be subject to resale restrictions for an indefinite period of time and a Limited Partner will only be able to transfer his or her Units in very limited circumstances. Consequently, Limited Partners may not be able to liquidate their Units in a timely manner, if at all, or pledge their Units as collateral for loans.

(iii) ***No Operating History***

The Partnership has not entered into any Flow-Through Investment Agreements to acquire Flow-Through Shares or selected any Resource Issuers in which to invest and will not enter into any such agreements until after the initial Closing.

(iv) ***Underlying Securities***

Generally, the value of Units will vary in accordance with the value of the securities acquired by the Partnership and 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 or the Partnership and there is no assurance that a Liquid Market will exist for securities acquired by the Partnership. If the General Partner is unable to dispose of all investments prior to the termination of the Partnership, Limited Partners may receive shares of Resource Issuers upon the termination of the Partnership, for which there may be an illiquid market or which may be subject to indefinite resale restrictions.

Securities purchased by the Partnership are normally purchased at prices greater than the market prices of their common shares and will be subject to resale restrictions under applicable securities laws.

The Limited Partners are entirely dependent on the discretion and judgment of the General Partner and the Investment Manager for the management of the assets of the Partnership. Neither the Partnership nor the General Partner has any operating history or investment history. The General Partner will only have nominal assets.

There is no assurance of a positive return on investment and an investment in Units should be considered only by those who can afford to lose their investment.

The General Partner and the Investment Manager may not be able to identify a sufficient number of Resource Issuers willing to issue Flow-Through Shares to permit the Partnership to commit all of the Available Funds to purchase Flow-Through Shares on or before December 31, 2016**,** and, therefore, unless such amounts are invested in non-flow-through shares of Resource Issuers, capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income or credits from tax for income tax purposes.

The Partnership does not expect to pay, but the General Partner can decide to pay, dividends or other cash distributions to the Limited Partners prior to the dissolution of the Partnership.

The possibility exists that Resource Issuers will not renounce Eligible Expenditures equal to the subscription price paid to them.

The possibility exists that Limited Partners will receive allocations of income and/or capital gains without receiving cash distributions from the Partnership in a year sufficient to satisfy a Limited Partner's tax liability for the year arising from his or her status as a Limited Partner.

The Partnership will invest in securities of Resource Issuers which may result in value of the Partnership's portfolio being more volatile than portfolios with a more diversified investment focus and may result in volatility based upon the underlying market for commodities produced by those sectors of the economy. The amount of Available Funds will directly affect the degree of diversification of the Partnership's portfolio and may affect the scope of investment opportunities available to the Partnership.

The share price of the Resource Issuers in which the Partnership owns Flow-Through Shares may decline due to factors such as investor demand, resale restrictions, general market trends or regulatory restrictions.

Resource Issuers may not hold or discover commercial quantities of oil, natural gas or minerals, and their profitability may be affected by adverse fluctuations in commodity prices, liability for environmental damage, competition and government regulation.

A Liquid Market may not exist for Flow-Through Shares due to fluctuations in trading volumes and prices and, if the General Partner is unable to dispose of all investments prior to the termination of the Partnership, Limited Partners may receive shares of Resource Issuers upon the termination of the Partnership, for which there may be an illiquid market or which may be subject to resale restrictions.

The Partnership may be required to dispose of assets to covers its ongoing expenses at times when it would otherwise not do so which could have an adverse effect on the Net Asset Value of the Units.

Income tax laws in the various jurisdictions of Canada may be changed in a manner which will fundamentally alter the tax consequences to Limited Partners of holding or disposing of Units, including the ability to claim deductions for all expenditures by the Partnership.

If a Limited Partner finances the Subscription Price of a Unit with indebtedness that is a "limited-recourse amount" for purposes of the Tax Act, the tax benefits of an investment in Units to the Limited Partner and other Limited Partners will be adversely affected.

Unless the continuation of the Partnership is approved by Special Resolution, the General Partner is unable to dispose of all investments prior to the termination of the Partnership and the Mutual Fund Roll-Over Transaction is not implemented, Limited Partners may receive shares of Resource Issuers upon liquidation of the Partnership, for which there may be an illiquid market or which may be subject to indefinite resale restrictions. In the case of Illiquid Investments, the Flow-Through Shares may be subject to indefinite resale restrictions. See "The Partnership Agreement - Mutual Fund Roll-Over Transaction" and "Dissolution".

(v) ***Resource Issuers***

Because the Partnership will invest in securities of Resource Issuers engaged in oil and gas, mineral or alternative energy exploration, development and/or production, the Net Asset Value of the Partnership may be more volatile than that of portfolios with a more diversified investment focus.

The business activities of Resource Issuers are speculative and may be adversely affected by factors outside their control, including global political and economic events which could significantly influence the prices for commodities, such as oil, natural gas, base and precious metals or demand for alternative energy technologies. Resource development and exploration involves a high degree of risk which even the combination of the experience and knowledge of management of the Resource Issuers may not be able to avoid. There is no assurance that commercial quantities of oil, natural gas or minerals will be discovered. Other risks to be considered include possible significant fluctuations in the commodity prices and/or in the costs of production; possible land claims; government regulations, including regulations relating to prices, royalties, allowable production, importing and exporting of petroleum products and environmental protection; risks and hazards relating to operations which may damage persons, property or the environment; competition; and title risks. The effect of these factors cannot be accurately predicted.

(vi) ***Flow-Through Shares***

There can be no assurance that there will be a sufficient number of Resource Issuers willing to issue Flow-Through Shares to permit the Partnership to commit all Available Funds to purchase Flow-Through Shares on or before December 31, 2016. Any Available Funds that have not been committed by the Partnership to purchase Flow-Through Shares or which have not been invested in non-flow-through shares of Resource Issuers on or before December 31, 2016, will be either invested in non-Flow-Through Shares of Resource Issuers or distributed on or prior to January 15, 2017, on a *pro rata* basis to Limited Partners of record on December 31, 2016. If Available Funds are returned in this manner, Limited Partners will not be entitled to claim the anticipated deductions from income for income tax purposes in respect of this Partnership. See "Use of Proceeds".

(vii) ***Possible Loss of Limited Liability and Liability for Return of Capital***

Maintaining limited liability requires Limited Partners to comply with certain legal requirements in jurisdictions in which the Partnership will operate and there is a risk that Limited Partners could lose their limited liability in certain circumstances. The General Partner will operate the Partnership in such a manner as to ensure, to the greatest extent possible, the limited liability of the Limited Partners. See "The Partnership Agreement - Limited Liability".

Where a Limited Partner receives a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors a maximum of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

(viii) ***No Review by Regulatory Authorities***

This Offering Memorandum constitutes a private offering of the Units in Ontario pursuant to the prospectus and registration exemptions under the securities laws of these provinces. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement, or public offering of these Units. Neither this Offering Memorandum nor any other

material relating to this offering has been reviewed or considered by the Ontario Securities Commission and the Canada Revenue Agency, nor any other governmental or regulatory authority.

(ix) ***Share Prices and Resale Restrictions***

The Flow-Through Shares may be issued to the Partnership at prices greater than the market price of such shares. In addition, all Flow-Through Shares issued to the Partnership will be subject to resale restrictions of a minimum of 4 months if the Resource Issuer is a reporting issuer in a jurisdiction in Canada or indefinitely if the Resource Issuer is a Private Company. The effect of such resale restrictions could include the inability of the Partnership to sell Flow-Through Shares into the market at advantageous or timely market prices, or ever.

(x) ***Reliance on General Partner, the Investment Manager, and the Investment Fund Manager***

The Partnership and the General Partner of the Partnership have no previous operating or investment history. Investors who are not willing to rely on the discretion and judgment of the General Partner, which has no operating or investment history and is expected to have only nominal assets, of the Investment Manager, and of the Investment Fund Manager should not subscribe for Units. The board of directors of the General Partner and the Investment Manager, and, therefore, management of the General Partner, the Investment Manager, and of the Investment Fund Manager may be changed at any time.

The General Partner has unlimited liability for the obligations of the Partnership and has agreed to indemnify the Limited Partners against losses, costs or damages suffered if the Limited Partner's respective liabilities are not limited as provided herein, provided that the loss of limited liability was caused by an act or omission of the General Partner or by the 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, such indemnity will apply with respect to losses in excess of the agreed capital contribution of the Limited Partner and the amount of this protection is limited by the extent of the net assets of the General Partner and such assets may not be sufficient to fully cover any actual loss. The General Partner is expected to have only nominal assets and, therefore, the indemnity of the General Partner may have nominal value. And prospective investors should not rely on the General Partner to provide any additional capital or loans to the Partnership in the event of any contingency.

Limited Partners must rely entirely on the discretion of the General Partner, the Investment Manager, and the Investment Fund Manager in entering into any Flow-Through Investment Agreements with Resource Issuers, in determining (in accordance with the Partnership's Investment Strategy, Investment Objective and Investment Criteria) the composition of the portfolio of securities of Resource Issuers to be owned by the Partnership, and in determining whether to dispose of securities (including Flow-Through Shares) owned by the Partnership. Flow-Through Shares are normally issued to the Partnership at prices greater than the market prices of comparable common shares not qualifying as Flow-Through Shares, and Limited Partners must rely entirely on the discretion of the General Partner, the Investment Manager, and of the Investment Fund Manager in negotiating the pricing of those securities.

(xi) ***Competition***

The Partnership will be competing with numerous other groups, possessing greater financial resources and technical and investment expertise, in the search for the best Flow-Through Share opportunities.

(xii) ***Tax-Related Risks***

The tax benefits resulting from an investment in the Partnership are greatest for a Limited Partner 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 and on a prospective investor's ability to bear a loss of his or her 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. The tax consequences of holding or disposing of Units or the Flow-Through Shares issued to the Partnership may be fundamentally altered by changes in federal or provincial income tax legislation. All of the Available Funds may not be invested in Flow-Through Shares, Resource Issuers may not incur or renounce the amount of Eligible Expenditures required to be incurred or renounced under the Flow-Through Investment Agreements in a timely manner, if at all, or amounts renounced by Resource Issuers to the Partnership may not qualify as Eligible Expenditures. Each Limited Partner will represent that he or she has not acquired Units with limited-recourse borrowing for the purposes of the Tax Act, however there is no assurance that this will not occur. Any of the above occurrences would reduce the amount of the Eligible Expenditures and/or Losses allocated to Limited Partners and in certain circumstances may require the Limited Partners to amend their tax returns filed for previous years. There may be disagreements with the CRA with respect to certain tax consequences of an investment in Units of the Partnership. The alternative minimum tax could limit tax benefits available to Limited Partners who are individuals. See "Canadian Federal Income Tax Considerations".

Limited Partners will receive the tax benefits associated with Eligible Expenditures in the years in which the Partnership invests in Flow-Through Shares and will benefit to the extent that any gains on the disposition of Flow-Through Shares by the Partnership are capital gains rather than income gains for tax purposes. However, the sale of Flow-Through Shares by the Partnership will trigger larger tax liabilities in the year any gain is recognized than would be the case upon the sale of common shares that do not constitute Flow-Through Shares because the cost of the Flow-Through Shares is deemed to be nil for the purposes of the Tax Act. As a result, there is a risk that Limited Partners will receive allocations of income and/or capital gains for a year without receiving

distributions from the Partnership in that year sufficient to pay any tax they may owe as a result of being a Limited Partner during that year. See "The Partnership Agreement - Distributions".

Where a Resource Issuer has a "prohibited relationship" as defined in the Tax Act with an investor that is a trust, corporation or partnership, the Resource Issuer may not renounce Qualifying CDE to such an investor. Briefly, a Resource Issuer has a prohibited relationship with a trust, a particular corporation or a partnership if the Resource Issuer or a corporation related to the Resource Issuer is a beneficiary of the trust, is the corporation or is a member of the partnership. Shares of a Resource Issuer issued to an investor that does not deal at arm's length with the Resource Issuer 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 Issuer may not renounce Eligible Expenditures incurred by it after December 31, 2016, with an effective date of December 31, 2016, to a Subscriber with which it does not deal at arm's length at any time during 2016. A prospective Subscriber who does not deal at arm's length with a corporation whose principal business is oil and gas exploration, development and/or production that may issue flow-through shares, as defined in subsection 66(15) of the Tax Act, prior to December 31, 2016, should consult their independent tax advisor before acquiring Units. The Partnership will be deemed to not deal at arm's length with a Resource Issuer if any of its partners do not deal at arm's length with such Resource Issuer.

The Partnership has engaged the General Partner 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 allocable to the Limited Partners would be reduced or denied to the extent of such deduction.

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

(xiii) ***Mutual Fund Roll-Over Transaction***

There can be no assurance that the General Partner will decide to implement a Mutual Fund Roll-Over Transaction. Further, if the General Partner decides to implement the Mutual Fund Roll-Over Transaction, there can be no assurance that the Mutual Fund Roll-Over Transaction will be implemented by the Investment Manager or that a mutual fund corporation will agree to complete the Mutual Fund Roll-Over Transaction, as it is under no obligation to do so, or that it will receive the necessary regulatory approvals for such a transaction.

If the Mutual Fund Roll-Over Transaction is implemented, then each former Limited Partner will receive shares of a mutual fund corporation initially and future investment returns will be dependent on the performance of the mutual fund corporation. If the Mutual Fund Roll-Over Transaction is implemented, there is no assurance it will be implemented on a tax-deferred basis.

(xiv) ***Fund Shares***

In the event that the Mutual Fund Roll-Over Transaction is completed, Limited Partners will receive shares of a mutual fund corporation upon the dissolution of the Partnership. These shares of the mutual fund corporation will be subject to various risk factors applicable to shares of mutual fund corporations which invest in securities of Canadian companies engaged in the energy and natural resource industries, such as oil and gas, mining and minerals, forestry and other resources. These risks are similar to the risks described under "Underlying Securities" above.

An investment in shares of the mutual fund corporation will also be subject to the following additional risk factors. The net asset value of the mutual fund corporation may fluctuate with changes in the market of its investments. Such changes in market value may occur as a result of various factors, including general, economic and market conditions. A large part of the portfolio of the mutual fund corporation will be invested in equities of companies in the oil and gas and mining industries and, accordingly, the holding of such shares or units will be subject to certain risks inherent in the nature of such investments (see "Resource Issuers" above). A portion of the assets of the mutual fund corporation will be invested in equity securities of small and medium size companies which may involve greater risks than investments in larger, more established companies. As well, the liquidity of the securities comprising the mutual fund corporation's portfolio may be limited. Consequently, in order to fund redemptions, the mutual fund corporation may have to liquidate its shareholdings in more liquid, large and medium size companies. As well, to the extent that the liquidity of the mutual fund corporation is limited, its ability to realize profits and/or minimize losses may be limited, which could adversely affect its net asset value. The capacity to redeem shares of the mutual fund corporation may be limited from time to time. There will be no assurance as to the amount of return a Limited Partner will receive on the redemption of shares of the mutual fund corporation received upon the dissolution of the Partnership after completion of the Mutual Fund Roll-Over Transaction, as the net asset value per share or unit may be more or less than its net asset value as at the date of closing of the Mutual Fund Roll-Over Transaction.

(xv) ***Conflicts of Interest***

Various conflicts of interest exist or may arise between the Partnership, the General Partner, the Investment Manager, and the Investment Fund Manager and other partnerships or entities of which Affiliates of the General Partner are a general partner or act as a manager. Some of these conflicts may arise as a result of the power and authority of the General Partner to manage and

operate the business and affairs of the Partnership. These conflicts of interest may have a detrimental effect on the business of the Partnership.

The General Partner, the Investment Manager, and the Investment Fund Manager will engage in other business ventures (the "Conflicting Ventures"), including, without limitation, acting as general partners, or directors, officers and consultants to Resource Issuers, or officers of general partners, of other limited partnerships or entities which invest the securities of Resource Issuers, in Flow-Through Shares of Resource Issuers or other tax-advantaged investment vehicles, or may individually or in previous partnerships own securities of the Resource Issuers. Neither the Partnership nor any Partners shall by virtue of the Partnership Agreement or otherwise have any right, title or interest in or to such Conflicting Ventures.

The Investment Manager, and the Investment Fund Manager may also make decisions to dispose of Flow-Through Shares held by the Partnership in the same Resource Issuers in which Conflicting Ventures may wish to acquire Flow-Through Shares or non-flow through securities. Conversely, the General Partner may wish to acquire Flow-Through Shares or other securities in the same Resource Issuers in which Conflicting Ventures already hold securities, and which securities the Conflicting Ventures wish to dispose of.

The services of the directors and officers of the General Partner are not exclusive to the Partnership, and the directors and officers of the General Partner may, from time to time, engage in the promotion, management or investment management of another fund, partnership, or entity, including future partnerships and other fund, partnerships or entities which invest primarily in flow-through shares and for shares of the Resource Issuers. One or more investee Resource Issuers may pay a due diligence and/or placement fee to the General Partner and/or the Investment Manager. The Investment Manager, and the Investment Fund Manager may perform services for additional compensation with one or more investee Resource Issuers in its capacity as Agent as it relates to Flow-Through Shares and non-flow-through shares.

Accilent Capital Management is also acting as Agent for the Offering and may charge certain of the Resources Issuers fees from time to time, including without limitation commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. The Partnership does not participate in such fees. Accilent is controlled by the same individuals who control the General Partner, the Investment Manager, and the Investment Fund Manager and accordingly the Partnership is a "related issuer" and "connected issuer" of Accilent for the purposes of Applicable Securities Laws.

Any of the aforementioned conflicts of interest, as well as others, may be difficult, if not impossible, to resolve equitably.

REPORTING OBLIGATIONS

Audited financial statements prepared by the General Partner and tax reporting information will be distributed to Limited Partners within 90 days after the end of each Fiscal Year end of the Partnership. The Fiscal Year end of the Partnership is December 31 in each calendar year.

The General Partner will send to Subscribers, on an ongoing basis, any notice required to be sent to the Limited Partners pursuant to the Partnership Agreement.

RESALE RESTRICTIONS

In addition to the restrictions on transfer contained in the Partnership Agreement, the Units are subject to the following resale restrictions:

There is no market for the Units and it is not anticipated that any market for the Units will be developed or created. The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, Subscribers will not be able to trade the Units unless in compliance with an exemption from the prospectus and registration requirements of applicable securities laws.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, SUBSCRIBERS MUST NOT TRADE THE UNITS BEFORE THE DATE THAT IS FOUR (4) MONTHS AND ONE DAY FROM THE DATE THE PARTNERSHIP BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY IN CANADA.

The Partnership is not a reporting issuer in Ontario or in any other jurisdiction and has no intention of becoming a reporting issuer. Because the Partnership is not and does not intend to become a reporting issuer in any jurisdiction, the applicable hold period will never expire, and if no further statutory exemption may be relied upon and if no discretionary order is obtained, a Subscriber will have to hold the Units acquired for an indefinite period of time.

NO ATTEMPT IS MADE TO FULLY REPRODUCE OR INTERPRET THE RELEVANT TERMS OF THE SECURITIES LAWS APPLICABLE IN EACH PROVINCE OR TERRITORY WHERE EACH PROSPECTIVE INVESTOR RESIDES., EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN INDEPENDENT LEGAL COUNSEL AND OTHER PROFESSIONAL ADVISORS, INCLUDING, WITHOUT LIMITATION, TAX ADVISOR BEFORE SUBSCRIBING FOR UNITS TO DETERMINE WHICH PROVISIONS MAY APPLY TO HIS SITUATION.

PURCHASER'S 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

The securities laws in your jurisdiction may provide you with the right, in certain circumstances, to seek damages or to cancel your agreement to buy Units. Most often, these rights are available if we make a misrepresentation in this Offering Memorandum or any amendment hereto, but in some jurisdictions, you may have these rights in other circumstances including if the General Partner fails to deliver the Offering Memorandum to you within the required time or if we make a misrepresentation in any advertisements or literature regarding Units. Generally, a "misrepresentation" means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made. The meaning of misrepresentation may differ slightly depending on the law in your jurisdiction. In most jurisdictions there are defenses available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or company that you sue will not be liable if you knew of the misrepresentation when you purchased the Units.

The following summaries are subject to any express provisions of the securities legislation of each selling jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

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

Purchaser's Rights - Alberta

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

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

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

(a) if the person or company proves that the purchaser had knowledge of the misrepresentation;

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

(c) the amount recoverable in any action described herein shall not exceed the price at which the Units were offered under the Offering Memorandum.

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

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

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

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

(i) there had been a misrepresentation, or

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

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

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

(ii) believed that there had been a misrepresentation.

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

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

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

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

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

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

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

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

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

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

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

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

(i) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years from the day of the transaction that gave rise to the cause of action.

Purchaser's Rights - Manitoba

When an Offering Memorandum, or any amendments thereto, contains a misrepresentation, a purchaser resident in Manitoba who purchases a security offered by the Offering Memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and the purchaser has (a) a right of action for damages against the Partnership, every director of the Partnership at the date of the Offering Memorandum, and every person or company who signed the Offering Memorandum; and (b) a right of rescission against the Partnership. Notwithstanding the foregoing, if the purchaser chooses to exercise a right of rescission against the Partnership, the purchaser has no right of action for damages against a person or company referred to above.

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

When a misrepresentation is contained in an Offering Memorandum, no person or company is liable:

(a) if the person or company proves that the purchaser had knowledge of the misrepresentation;

(b) other than with respect to the Partnership, if the person or company proves

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

(ii) that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the Partnership that it was sent without the person's or company's knowledge and consent;

(c) other than with respect to the Partnership, if the person or company proves that, after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the Partnership of the withdrawal and the reason for it;

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

(i) there had been a misrepresentation, or

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

(e) other than with respect to the Partnership, with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company:

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

(ii) believed there had been a misrepresentation.

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

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

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

A purchaser of a security to whom an Offering Memorandum is required to be sent may rescind the contract to purchase the security by sending a written notice of rescission to the Partnership not later than midnight on the second day, excluding Saturdays, and holidays, after the purchaser signs the agreement to purchase the securities. The amount the purchaser is entitled to recover when exercising the right to rescind for failure to send the Offering Memorandum as and when required shall not exceed the net asset value of the securities purchased, at the time the right to rescind is exercised.

No action may be commenced to enforce a right:

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

(b) in any other case, more than the earlier of

(i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the day of the transaction that gave rise to the cause of action.

Purchaser's Rights - Newfoundland and Labrador

Where the Offering Memorandum or a record incorporated by reference in or deemed incorporated into the Offering Memorandum contains a misrepresentation when a person or company resident in Newfoundland and Labrador purchases Units offered by the Offering Memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the Partnership and every person or company who signed the Offering Memorandum and a right of action for rescission against the Partnership. Where the purchaser elects to exercise a right of rescission against the Partnership, the purchaser has no right of action for damages against a person or company referred to above.

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

(a) a person or company shall not be liable where the person or company proves that the purchaser had knowledge of the misrepresentation;

(b) the amount recoverable under the above provisions shall not exceed the price at which the Units were offered in the Offering Memorandum; and

(c) in an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Partnership Unit as a result of the misrepresentation.

A person or company, other than the Partnership, shall not be liable:

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

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

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

  (i) there had been a misrepresentation, or

  (ii) the relevant part of the Offering Memorandum:

    A. did not fairly represent the report, opinion or statement of the expert, or

    B. as not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

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

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

  (ii) believed there had been a misrepresentation.

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

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

(b) in the case of an action, other than an action for rescission, the earlier of:

  (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

  (ii) 3 years after the date of the transaction that gave rise to the cause of action.

Purchaser's Rights - New Brunswick

In the event that any information relating to the offering which has been provided to purchasers of the Units contains a misrepresentation, a purchaser of Units resident in New Brunswick shall be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase and will have a statutory right of action against the Partnership on whose behalf the distribution is made for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action more than,

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

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

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and

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

In addition, securities legislation in New Brunswick provides a number of limitations and defenses, including:

(a) the Partnership on whose behalf the distribution is made will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) in any action for damages, the Partnership on whose behalf the distribution is made will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

Purchaser's Rights - Nova Scotia

In the event that this Offering Memorandum, a record incorporated by reference in or deemed incorporated into this Offering Memorandum, or any amendments thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains a misrepresentation that was a misrepresentation at the time of purchase, a purchaser of Units resident in Nova Scotia shall be deemed to have relied upon the misrepresentation and will have a statutory right of action for damages against the Partnership or other seller and against the directors and persons who signed the Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the Partnership or other seller, in which case, the purchaser shall have no right of action for damages against the Partnership nor against any person or company. The right of action of damages or rescission is exercisable not later than 120 days after the date on which (i) payment was made for the Units, or (ii) after the date on which the initial payment for the security was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment, provided that:

(a) the Partnership or a person will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) in any action for damages, the Partnership will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable under the right of action described herein exceed the price at which the Units were sold to the purchaser.

The *Securities Act* (Nova Scotia) provides that no person is liable if it is proven that this Offering Memorandum, or any amendments thereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, or after the delivery of this Offering Memorandum, or any amendments thereto, and before the purchase of the Units by the purchaser, on becoming aware of any misrepresentation in this Offering Memorandum, or any amendments thereto, the person or company withdrew their consent to it and gave reasonable general notice of the withdrawal and the reason for it. This provision does not apply if the seller of the Units is also the issuer.

With respect to any part of this Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert which contains a misrepresentation, no person will be liable if the person had no reasonable grounds to believe, and did not believe, that there had been a misrepresentation, or the relevant part of this Offering Memorandum, or any amendments thereto, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert. This provision does not apply if the seller of the Units is also the issuer.

The *Securities Act* (Nova Scotia) also provides that no person or company is liable with respect to any part of this Offering Memorandum, or any amendments thereto, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation. This provision does not apply if the seller of the Units is also the issuer.

Purchaser's Rights - Ontario

If the Offering Memorandum, together with any amendment or supplement thereto, delivered to a purchaser of Units resident in Ontario contains a misrepresentation and it was a misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a statutory right of action against the Partnership for damages or, while still the owner of the Units purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Partnership, provided that:

(a) the Partnership shall not be held liable pursuant to such right of action if the Partnership proves the investor purchased the Units with knowledge of the misrepresentation;

(b) in an action for damages, the Partnership is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Units acquired by the investor as a result of the misrepresentation relied upon;

(c) the Partnership will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Ontario)), if the Partnership proves that:

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

(ii) the Partnership has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;

(d) in no case shall the amount recoverable pursuant to such right of action exceed the price at which the Units were offered to the investor; and

(e) no action may be commenced to enforce such right of action more than,

(i) in the case of an action for rescission, 180 days after the date of the acceptance of the subscription by the Partnership; or

(ii) in the case of an action for damages, the earlier of:

A. 180 days after the investor has knowledge of the misrepresentation, or

B. three years after the date of the acceptance of the subscription by the Manager.

For the purposes of this section, a "**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. The contractual rights discussed above are in addition to and without derogation from any other rights or remedies available at law to the subscriber.

The foregoing rights do not apply if the purchaser is:

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

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

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

Purchaser's Rights - Prince Edward Island

In the event that this Offering Memorandum, or any amendments thereto, contains a misrepresentation, a purchaser who purchased a security during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Partnership, any selling security holder on whose behalf a distribution is made, every director of the Partnership at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. Alternatively, the purchaser while still the owner of the securities may elect to exercise a statutory right of action for rescission against the Partnership (or any selling security holder on whose behalf a distribution may be made).

A misrepresentation in Prince Edward Island ("**PEI**") includes an omission to state a material fact that is required to be stated by the *Securities Act* (PEI). The statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action shall be commenced to enforce the right of action for rescission by a purchaser resident in PEI, later than 180 days after the date of the transaction that gave rise to the cause of action;

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

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction given rise to the cause of action or whichever period expires first;

(c) no person shall be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation; and

(d) no person shall be liable if the person proves that:

(i) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Partnership that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to the Partnership of the withdrawal and the reason for it; or

(iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the Offering Memorandum:

A. did not fairly represent the report, statement or opinion of the expert, or

B. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages. In no case shall the amount recoverable in any action exceed the price at which the securities were offered to the purchaser. In an action for damages, the defendant shall not be liable for any damages that the defendant proves do not represent the depreciation in value of securities as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. This summary is subject to the express conditions of the *Securities Act* (PEI) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Purchaser's Rights - Saskatchewan

If the Offering Memorandum, or any amendments thereto, or advertising or sales literature used in connection therewith delivered to a purchaser resident in Saskatchewan contains a misrepresentation, a purchaser has, without regard to whether the purchaser relied on that misrepresentation, a right of action for damages against the Partnership, the promoters and "directors" (as defined in the *Securities Act, 1988* (Saskatchewan)), every person or company whose consent has been filed with this Offering Memorandum, or any amendments thereto, but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum, or any amendments thereto, and every person who or company that sells the Units on behalf of the Partnership under this Offering Memorandum, or any amendments thereto. Alternatively, a purchaser may elect to exercise a right of rescission against the Partnership.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the purchaser has a right of action for damages against the individual who made the verbal statement.

No person or company is liable, nor does a right of rescission exist, where the person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation. In an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

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

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

(b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

(c) A purchaser of Units resident in Saskatchewan has the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the Units if the Units are purchased from a vendor who is trading in Saskatchewan in contravention of the *Securities Act, 1988* (Saskatchewan), the regulations to the *Securities Act, 1988* (Saskatchewan) or a decision of the Saskatchewan Financial Services Commission.

The *Securities Act, 1988* (Saskatchewan) also provides a right of action for rescission or damages to a purchaser of Units to whom the Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the Units, as required by Section 80.1 of the *Securities Act, 1988* (Saskatchewan).

The Partnership shall amend the Offering Memorandum if the distribution of the Units has not been completed and (i) there is a material change in the affairs of the Partnership, (ii) it is proposed that the terms or conditions of the offering described in the Offering Memorandum be altered, or (iii) Units are to be distributed in addition to the Units previously described in the Offering Memorandum. A purchaser that receives an amended Offering Memorandum has the right to withdraw from the agreement to purchase the Units by delivering a notice to the person who or company that is selling the Units, indicating the purchaser's intention not to be bound by the purchase agreement. A purchaser must deliver the notice of withdrawal within two business days after receiving the amended Offering Memorandum.

Purchaser's Rights - Northwest Territories, Nunavut and Yukon

If this Offering Memorandum, or any amendments thereto, delivered to a purchaser of Units resident in the Northwest Territories, Nunavut or the Yukon contains a misrepresentation, a purchaser in such jurisdictions who purchases the Units during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for damages

against (i) the Partnership, (ii) the selling security holder on whose behalf the distribution was made, (iii) every director of the Partnership at the date of the Offering Memorandum, and (iv) every person who signed the Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of action for rescission against the Partnership or the selling security holder on whose behalf the distribution was made, in which case, the purchaser shall have no right of action for damages against the Partnership, the selling security holder, the directors and persons who signed the Offering Memorandum. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, or any amendments thereto, the misrepresentation is deemed to be contained in the Offering Memorandum, or any amendments thereto, as the case may be.

All or any one or more of the persons who are found to be liable, or who accept liability, for a misrepresentation will be jointly and severally liable; provided, however, that the Partnership, and every director of the Partnership at the date of the Offering Memorandum who is not a selling security holder, will not be liable if the Partnership does not receive any proceeds from the distribution of the Units and the misrepresentation was not based on information provided by the Partnership, unless the misrepresentation was:

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

(b) a misrepresentation at the time of its previous disclosure; and

(c) not subsequently publicly corrected or superseded by the Partnership before completion of the distribution of the Units.

Any person, including the Partnership and the selling security holder, will not be liable for a misrepresentation:

(a) if the person proves that the purchaser purchased the Units with knowledge of the misrepresentation; or

(b) in an action for damages, the person will not be liable for all or any part of those damages that the person proves do not represent the depreciation in value of the Units as a result of the misrepresentation; and

(c) in no case will the amount recoverable in any action exceed the price at which the Units were sold to the purchaser.

A person, other than the Partnership and the selling security holder, will not be liable in an action for damages for a misrepresentation:

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

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

(c) if, with respect to any part of the Offering Memorandum, or any amendments thereto, purporting to be made on the authority of an expert or purporting to be a copy of, or any extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation, or

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

In addition, a person, other than the Partnership and the selling security holder, will not be liable in an action for damages for a misrepresentation with respect to any part of an Offering Memorandum, or any amendments thereto, not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(b) believed that there had been a misrepresentation.

Any person, including the Partnership and the selling security holder, will not be liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) or the *Securities Act* (Yukon)) if the person proves that:

(a) the Offering Memorandum, any amendments thereto, or other document contained, proximate to the forward-looking information, (A) reasonable cautionary language identifying the forward-looking information as such, and (B) identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information,

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

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

provided, however, that the foregoing does not relieve a person of liability with respect to forward-looking information in a financial statement required to be filed under the securities laws of the Northwest Territories, Nunavut or the Yukon.

No action shall be commenced to enforce a right of action more than,

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

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

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) three years after the date of the transaction that gave rise to the cause of action.

OTHER INFORMATION

Auditors and Counsel

The auditors of the Partnership are BDO Canada LLP, Mississauga, Ontario.

Counsel to the Partnership and the General Partner is Blaney McMurtry LLP, Toronto, Ontario.

Registrar and Transfer Agent

The General Partner will be the registrar and transfer agent for the Units or retain the services of the Investment Manager as registrar and transfer agent. The register of Limited Partners will be kept by the General Partner or Investment Manager at its registered office or at such other location as may be determined from time to time by the General Partner.

Legal Proceedings

To the best of the knowledge of the General Partner, there are no legal proceedings outstanding or threatened against the General Partner or the Partnership.

Financial Statements

Attached hereto are an audited opening balance sheet of the Partnership as at June 30, 2016.

Tel: 905 270 7700
Fax: 905 270 7915
Toll-free: 866 248 6660
www.bdo.ca

BDO Canada LLP
1 City Centre Drive, Suite 1700
Mississauga ON L5B 1M2 Canada

Independent Auditor's Report

To the Directors of the General Partner of
Pavilion Flow-Through L.P. (2016) 1

We have audited the accompanying balance sheet of Pavilion Flow-Through L.P. (2016) 1, as at June 30, 2016, and a summary of significant accounting policies and other explanatory information (together the "financial statement").

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

Auditor's Responsibility
Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 statement.

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, the financial statement presents fairly, in all material respects, the financial position of Pavilion Flow-Through L.P. (2016) 1 as at June 30, 2016 in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Mississauga, Ontario
June 30, 2016

Balance Sheet

As at June 30, 2016

Asset

Cash	**$ 10**

Partner's Capital

Issued and fully paid – Initial Limited Partner – 1 unit	**$10**

Approved on behalf of the Board of Directors of PRF (GP) Management (No. 3) Limited

(signed) Paul Crath_____(signed) Daniel C. Pembleton_____

Paul Crath
Director

Dan Pembleton
Director

Pavilion Flow-Through L.P. (2016) 1
Notes to Financial Statement

June 30, 2016

1. Nature of Business

Pavilion Flow-Through L.P. (2016) 1 (the "Partnership") was formed as a Limited Partnership under the laws of the Province of Ontario on June 9, 2016. The principal purpose of the Partnership is to invest in flow-through shares and, where applicable, warrants to acquire shares of resource sector issuers in accordance with the terms of the Limited Partnership Agreement (the "Partnership Agreement"). The Partnership has been inactive other than the issuance of one limited partnership unit for cash consideration of $10.

The General Partner of the Partnership is PRF (GP) Management (No. 3) Limited which acts as a promoter of the Partnership in connection with the offering of the units of the Partnership (the "Units"). The General Partner of the Partnership has retained Accilent Capital Management Inc. to act as the Investment Manager.

The General Partner may unilaterally cause, on its scheduled dissolution date, which is March 31, 2021 or some other date determined by the partners pursuant to an extension by the General Partner based on market conditions or pursuant to a special resolution (the "Liquidity Alternatives"), to transfer its assets to a mutual fund corporation on a tax-deferred basis in exchange for redeemable shares in a mutual fund corporation.

The Limited Partnership is not subject to income taxes. The income or loss is allocable to the Limited Partners pro-rated by units held and is included in the taxable income of the partners in accordance with the provisions of the Income Tax Act (Canada). Accordingly, income tax is not provided for in this financial statement. Income for Canadian income tax purposes is allocated 99.99% to the Limited Partners and .01% to the General Partner. Losses are allocated 100% to the Limited Partners.

The Partnership is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

Ongoing expenses of the Partnership will be satisfied by investment income earned and the sale of investments as necessary.

2. Basis of Accounting and Summary of Significant Accounting Policies

The financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

This financial statement has been prepared under the historical cost convention.

The Partnership's presentation and functional currency is the Canadian Dollar.

As the Partnership was just formed, there are no significant accounting policies to date except for the treatment of Income Taxes specified in Note 1 and Agent's Fees and Expenses of the Offering specified in Note 6.

The financial statement was approved by the Board of Directors of the General Partner on June 30, 2016.

3. Payments to the General Partner

As at June 30, 2016, the General Partner held no Units in the Partnership.

The General Partner is reimbursed for reasonable costs related to maintaining the register of the Partnership and preparation and distribution of financial statements and other documents sent to Limited Partners.

4. Partnership Units

The General Partner is authorized to issue a maximum of 2,000,000 partnership units at $10 per unit. Partnership units are non-redeemable until the scheduled dissolution date of the Partnership, which is no later than March 31, 2021.

5. Payments to the Investment Manager

The Investment Manager (Accilent Capital Management Inc.) is entitled to an annual fee of 2.25% of the Net Asset Value of the Partnership accrued daily and paid monthly in arrears. The fee will be paid by the Partnership to the Investment Manager commencing on the date one month from the date the initial closing is completed.

The General Partner and the Investment Manager will be collectively entitled to a performance fee on the earlier of (a) the day on which a distribution is made to the Limited Partners, (b) the business day prior to the date of the mutual fund roll-over transaction and (c) the business day immediately prior to the date of dissolution or termination of the Partnership, in an amount equal to 20% of the amount that is equal to the product of (i) the number of Units outstanding on the Performance Fee Date and (ii) the amount by which the Net Asset Value per Unit on such Performance Fee Date plus any distributions per Unit paid until the Performance Fee Date exceeds $11.20.

It is agreed and understood that Accilent Capital Management Inc. is also acting as Agent for the offering and entitled to receive fees thereunder.

Accilent Capital Management Inc. may charge certain of the Resource Issuer's fees from time to time, including without limitation, commissions or finders' fees and broker's warrants in connection with the investments made by the Partnership. The Partnership does not participate in such fees.

6. Agent's Fees and Expenses of the Offering

The Agent is entitled to commissions of 10% of the gross proceeds (the "Agent's Fee") per Unit payable on closing. Expenses of the Offering, which include a fee of 0.75% (to cover items such as expenses in connection with the formation and organization of the Partnership, the preparation of the Offering Memorandum, initial legal and audit expenses of the Partnership and marketing expenses) and 1% of gross proceeds for dealer due diligence, platform and distribution override fees (collectively "Issue Expenses") will be no more than $150,000 plus a 1% distribution fee for a total of $350,000 in the case of the Maximum Offering. Agent's fees and issue expenses are treated as costs of the offering and will be charged to equity.

7. Operating Expenses

In addition, the Partnership is also responsible for the payment of all administrative and operating expenses (to a maximum of $100,000 per annum during the term of the Partnership) incurred in connection with the operation of the business of the Partnership. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Limited Partners; (b) fees payable to the auditors, legal and other professional advisors of the Partnership; (c) taxes and ongoing regulatory filing fees and compliance costs; (d) any reasonable out of pocket expenses incurred by the General Partner or its agents in connection with their ongoing obligations to the Partnership; (e) expenses relating to portfolio transactions (including investment management fees, trustee, custodial and safekeeping fees, but excluding brokerage commissions). No additional fee will be payable to the General Partner for administrative services; however, it will be entitled to reimbursement for reasonable out of pocket expenses related to its performances of these services.

8. Offering Memorandum

The Partnership has issued an offering memorandum dated June 30, 2016 for the sale and issuance of up to $20,000,000 (2,000,000 units). The final closing date for which units may be purchased is November 30, 2016 unless the maximum offering has been achieved at an earlier date.

DATE AND CERTIFICATE

Dated: June 30, 2016

This Offering Memorandum, to the best knowledge of the undersigned, does not contain a misrepresentation.

(Signed) Daniel C. Pembleton
Daniel C. Pembleton
Director, President
of the General Partner

On behalf of the Board of Directors of the General Partner:

(Signed) Daniel C. Pembleton
Daniel C. Pembleton
Director

Promoter:

PRF (GP) MANAGEMENT (No. 3) LIMITED
(Signed) Daniel C. Pembleton
Dan Pembleton
President and Director

On behalf of the Agent
ACCILENT CAPITAL MANAGEMENT INC.

(Signed) Daniel C. Pembleton
Daniel C. Pembleton
President and Chief Executive Officer

SCHEDULE "A"

PAVILION FLOW-THROUGH L.P. (2016) 1

LIMITED PARTNERSHIP AGREEMENT

DATED June 30, 2016

25 Adelaide St. East, Suite 1616
Toronto, Ontario, M5C 3A1
T: (416) 429-9779
E: service@accilentcapital.com

PAVILION FLOW-THROUGH L.P. (2016) 1
LIMITED PARTNERSHIP AGREEMENT

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PAVILION FLOW-THROUGH L.P. (2016) 1
LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT dated as of the 9th day of June, 2016, is made BETWEEN:

PRF (GP) MANAGEMENT (NO. 3) LIMITED, a corporation incorporated under the laws of the Province of Ontario (the "General Partner"),

and-

ACCILENT RAW MATERIALS GROUP INC., a Corporation incorporated under the laws of the Province of Ontario (the "Initial Limited Partner"),

and-

The persons who from time to time that are admitted to the Partnership as Limited Partners.

CONTEXT OF THIS AGREEMENT

A. This Partnership has been formed as a limited partnership under the laws of the Province of Ontario and in accordance with the provisions of this Agreement for the purpose of investing in Flow-Through Shares of Resource Issuers (as defined herein) and otherwise conducting the Business (as defined herein).

B. The General Partner has assumed the rights, obligations and liabilities of the general partner of the Partnership, the Partnership shall offer Units for sale and the General Partner or its agent shall admit Subscribers for Units as Limited Partners.

C. It is in the best interests of the Partners and of the Partnership for the Partners to enter into a written agreement to record their respective duties, rights and obligations with respect to each other and the Partnership, and the parties wish to set forth the terms and conditions governing the operation of the Business and affairs of the Partnership, including its formation and dissolution.

THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement the following terms have the following meanings:

"Affiliates", as describing the relationship between two persons, means:

(a) one of them is an affiliate of the other, as such term is defined in the *Securities Act* (Ontario),

(b) one is a director or senior officer, as so defined, of the other or of an affiliate, as so defined, of the other, or

(c) one does not deal at arm's length with the other for the purposes of the Tax Act.

"Affiliated Issuers" means limited partnerships, trusts or other issuers of which Affiliates of the General Partner, the Investment Manager are general partners or managers, or where they hold more than 25% of the common shares or units of such issuer.

“Agent” means Accilent Capital Management Inc., an exempt market dealer that has been engaged by the General Partner to market and distribute Units of the Partnership as agent and distribution agent for the Offering.

"Agent’s Fees" means the commissions which may be paid by the Partnership to the Agent and the Selling Agents involved in the Offering equal to an aggregate of up to 10.0% of the Gross Proceeds of the Offering.

"Agreement" means this agreement and all amendments made hereto in accordance with the provisions hereof, as supplemented and amended from time to time.

"Arm's length" has the meaning ascribed thereto in the Tax Act, as now in effect.

"Auditors" means such firm of chartered professional accountants as the General Partner may appoint from time to time.

“Available Funds” means, at any time, the Gross Proceeds, together with all interest earned thereon, less expenses and fees that are payable and are expected to be fully deductible in computing the Partnership's income in accordance with the Tax Act for the fiscal period ending December 31, 2016, including administration and operating expenses, interest costs, the Management Fee but excluding the Agent’s Fee and the Issue Expenses to a maximum of 11.75% of the Gross Proceeds.

"Business" means the business carried on by the Partnership, as described in Section 2.4.

"Business day" means a day on which the main branch of the Royal Bank of Canada in Toronto, Ontario, is open for business.

"Capital Account" means the account established for each Partner pursuant to Section 4.7(a)(i).

“CDE” or Canadian Development Expense means Canadian development expense as defined in subsection 66.2 (5) of the Tax Act that may be renounced pursuant to the Tax Act.

“CEE” or Canadian Exploration Expense means including without limitation, expenses of the nature referred to in paragraphs (a), (b), (d), (f), (g) or (g.1) of the definition of Canadian exploration expense as such term is defined in subsection 66.1(6) of the Tax Act that may be renounced pursuant to the Tax Act, which includes CRCE.

"Certificate" means a certificate of ownership of Units issued in accordance with Section 3.3.

"Closing" means any closing of the sale of Units to Subscribers.

“CRCE” means Canadian Renewable and Conservation Expense as defined in the Tax Act.

"Current Account" means the account established for each Partner pursuant to Section 4.7(a)(ii).

"Declaration" means the declaration filed under the Limited Partnerships Act forming the Partnership pursuant to such Act, as amended from time to time.

"Eligible Expenditures" means expenditures in respect of resource exploration and development which qualify as CEE, CRCE and CDE and which may be renounced as CEE to the Partnership effective on or before December 31, 2016.

"Fiscal Year" shall have the meaning ascribed to it in Section 2.3.

“Flow-Through Investment Agreements” means agreements between the Partnership and the Resource Issuers pursuant to which the Partnership will subscribe for Flow-Through Shares and the Resource Issuers will agree to renounce Eligible Expenditures to the Partnership.

“Flow-Through Shares” means shares in the capital of Resource Issuers which qualify as flow-through shares for the purposes of the Tax Act in respect of which the Resource Issuers agree to renounce Eligible Expenditures to the Partnership (or warrants or flow-through special warrants entitling the Partnership to acquire shares in the capital of Resource Issuers, provided that such warrants or flow-through special warrants qualify as flow-through shares for purposes of the Tax Act).

"General Partner" means PRF (GP) Management (No. 3) Limited, and its successors as provided for herein, as general partner of the Partnership.

"Gross Proceeds" means, at any time, the aggregate gross proceeds of the Offering.

"High Quality Money Market Instruments" means, money market instruments, excluding Asset-Based Commercial Paper of any rating, which are accorded the highest rating category by Canadian Bond Rating Service *("A-1")* or by Dominion Bond Rating Service ("R-I"), banker's acceptances, and government guaranteed obligations all with a term of one year or less, and interest-bearing deposits with Canadian banks or trust companies.

"Illiquid Investments" means investments that may not be readily disposed of in a market place where such investments are normally purchased and sold and public quotations in common use in respect thereof are available. Examples of Illiquid Investments include limited partnership interests that are not listed for trading and securities of a Private Company, but does not include Flow-Through Shares of publicly listed companies with resale restrictions which expire on or before May 1, 2016, 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 Resource Issuer whose market capitalization is at least $10,000,000 and which is not a Private Company.

"Income" or "Loss(es)" of the Partnership for any Fiscal Year means the net income or net loss(es) of the Partnership, including gains or losses arising on the sale of Flow-Through Shares and any extraordinary or unusual items, all calculated in accordance with the Tax Act.

"Initial Limited Partner" means Accilent Raw Materials Group Inc. as the initial limited partner of the Partnership.

"Investment Canada Act" means the *Investment Canada Act* (Canada) as now enacted or as the same may from time to time be amended, re-enacted or replaced.

"Investment Fund Manager" means Accilent Capital Management Inc.

"Investment Manager" means an investment manager appointed by the General Partner to provide advice related to selecting securities and managing the Partnership's investment portfolio, and will be responsible for the administration of the daily operations and affairs of the Partnership, the initial investment manager being Accilent Capital Management Inc.

"Issue Expenses" means the expenses of the Offering (other than the Agent's Fees) which includes a fee of 0.75% (to cover items such as expenses in connection with the formation and organization of the Partnership, the preparation of the Offering Memorandum, initial legal and audit expenses of the Partnership and marketing expenses) and an additional fee of 1% of the gross proceeds of the Offering for dealer due diligence, platform and distribution override fees.

"Limited Partner" means, at any particular time, any party to this Agreement who is bound by this Agreement as a limited partner of the Partnership and is shown on the Record as a limited partner.

"Limited Partnerships Act" means the *Limited Partnerships Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced.

"Mutual Fund Rollover Transaction" means an exchange transaction pursuant to which the assets of the Partnership would be transferred to a mutual fund corporation on a tax deferred basis in exchange for securities of the mutual fund corporation, following which such securities would be distributed to the Limited Partners Pro Rata on a tax deferred basis upon the dissolution of the Partnership.

"Net Asset Value" means, with respect to the Partnership on any particular Valuation Date, the difference between

(a) the market value on the Valuation Date of its assets, determined as follows:

  (i) the value of any security which is listed for trading upon a stock exchange (whether or not the security is subject to resale restrictions) will be, (A) the closing sale price on such date, if such date is a trading day, or on the last trading day before such date, if such date is not a trading day, or (B) if there is no such closing sale price on such date, the average of the closing bid price and closing ask price on such date or the last trading day before such date, if such date is not a trading day (unless in the opinion of the General Partner such average does not properly reflect the value of such security, in which case such closing bid price or such closing ask price as determined by the General Partner in good faith), all as reported by any report in common use or authorized by such stock exchange;

  (ii) where the Partnership has executed a Flow-Through Investment Agreement but has not completed the acquisition of the Flow-Through Shares provided for thereunder, for the purposes of calculating the Net Asset Value, the Partnership shall be deemed to have acquired the securities of the Resource Issuer at the date the Partnership entered into the applicable Flow-Through Investment Agreement, and the value of the securities deemed to be so acquired;

(iii) the value of any security or property or other assets to which, in the opinion of the General Partner, the above principles cannot be applied (whether because no published market exists, no third party appraisal in the opinion of the General Partner is satisfactory or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the General Partner from time to time adopts; and

(iv) the value of assets quoted in foreign currencies will be converted to Canadian dollars at the exchange rate at noon on such date as set by the Bank of Canada; and

(b) all liabilities on such date as determined by the General Partner (including contingent distributions).

"Net Earnings" for any fiscal period means Net Gain minus Net Loss.

"Net Gain" for any fiscal period means the aggregate of (i) the amount, if any, by which net proceeds of disposition to the Partnership of investments disposed of in that period exceeds the acquisition cost to the Partnership of such investments, and (ii) the income earned by the Partnership during such fiscal period, calculated in accordance with generally accepted accounting principles.

"Net Loss" for any fiscal period means the aggregate of (i) the amount, if any, by which the acquisition cost to the Partnership of investments disposed of in that period exceeds net proceeds of disposition by the Partnership for such investments, and (ii) the expenses of the Partnership during such fiscal period, calculated in accordance with generally accepted accounting principles.

"Offering" means the public offering of a maximum of 2,000,000 Units of the Partnership as described in the Offering Memorandum.

"Offering Memorandum" means the confidential offering memorandum of the Partnership dated June 30, 2016, relating to the Offering, including any amendments to such Offering Memorandum.

"Ordinary Resolution" means a resolution passed by more than 50% of the votes cast in respect of such resolution at a duly constituted meeting of Limited Partners called for the purpose of considering such resolution, at which a quorum (consisting of two or more Limited Partners present in person or by proxy and representing not less than 5% of the Units then outstanding) is present or, alternatively, a written resolution signed in one or more counterparts by Limited Partners holding more than 50% of the Units outstanding and entitled to vote on such resolution at a meeting.

"Partners" means the General Partner and the Limited Partners.

"Partnership" means the limited partnership formed pursuant to this Agreement and the Limited Partnerships Act.

"Person" or "person" means an individual, corporation, body corporate, partnership, joint venture, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative.

"Prime Rate" means the lending rate of interest expressed as an annual rate which the Royal Bank of Canada quotes in Toronto, Ontario from time to time as the reference rate of interest (commonly known as Prime) for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds.

"Private Company" or "Private Companies" means a company or companies which does not have any of its securities listed or quoted on a stock exchange.

"Pro Rata" means, in respect of a Limited Partner at any time, the quotient of the number of Units held by the Limited Partner divided by the number of Units held by all Limited Partners at such time.

"Record" means the record of Limited Partners required to be maintained under the Limited Partnerships Act.

"Registrar and Transfer Agent" means any registrar and transfer agent of the Units appointed by the General Partner pursuant to Section 3.6 or, if no registrar and transfer agent is appointed, the General Partner.

“Resource Issuers” means, resource issuers engaged in (i) oil and gas exploration, development and/or production; (ii) mineral exploration, development and/or production, or (iii) renewable resources exploration, development and/or production.

"Selling Agent" means an investment dealer, securities dealer, exempt market dealer or their equivalent, registered under the applicable securities laws or a person who is exempt from the applicable registration requirements under applicable securities laws, selected by the Agent to assist in the marketing and distribution of the Units.

"Special Resolution" means a resolution passed by 66 2/3% or more of the votes cast in respect of such resolution at a duly constituted meeting of the Limited Partners called for the purpose of considering such resolution, at which a quorum (consisting of two or more Limited Partners present in person or by proxy and representing not less than 20% of the Units then outstanding) is present or, alternatively, a written resolution signed in one or more counterparts by Limited Partners holding 66 2/3% or more of the Units outstanding and entitled to vote on such resolution at a meeting.

"Subscriber" means a person who subscribes for Units by executing and delivering to the General Partner a Subscription Agreement and who otherwise fulfils the Subscription requirements.

"Subscription" means a subscription for a minimum of 1000 Units in the Partnership by the execution of a Subscription Agreement and delivery thereof, together with the Subscription Price, to the General Partner and otherwise in accordance with the subscription procedures described in the Offering Memorandum.

"Subscription Agreement" means a subscription agreement and power of attorney substantially in the form attached as Schedule "A".

"Subscription Price" means the amount to be contributed by a Subscriber to the Partnership, which shall be $10 per Unit, in consideration for the issue of that number of Units for which such person has subscribed.

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

"Termination Date" has the meaning ascribed to it in Section 9.1(a).

"Transfer Form and Power of Attorney" means a form of transfer and power of attorney as may from time to time be prescribed by the General Partner.

"Unit" means a unit of Limited Partner's interest in the Partnership as provided in this Agreement.

"Valuation Date" means the last business day of each calendar month except December, for which the Valuation Date is December 31.

1.2 Number and Gender.

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons include individuals, sole proprietorships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts, bodies corporate and a natural person in his or her capacity as trustee, executor, administrator or other legal representative.

1.3 Sections and Headings.

The division of this Agreement into parts and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular part, section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to parts and sections are to parts and sections of this Agreement.

1.4 Applicable Law.

This Agreement shall be construed and enforced in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

1.5 Currency.

Unless otherwise specified, all references herein to currency shall be references to currency of Canada.

1.6 Accounting Principles.

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken in accordance with generally accepted accounting principles.

1.7 Schedules and Appendices.

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule "A" – Subscription Agreement and Power of Attorney

Appendix "A" – Terms and Conditions of Subscription for Units

Appendix "A-1" – Form 45-106F4 - Risk Acknowledgment

Appendix "A-2" – Classification of Investors Under the Offering Memorandum Exemption

Appendix "A-3" – Investment Limits for Investors Under the Offering Memorandum Exemption

Appendix "B" – Representation Letter - 45-106 Eligible Investor

Appendix "C" - Risk Acknowledgement Form - Saskatchewan Close Personal Friends and Close Business Associates Form

Appendix "D" - Accredited Investor and Minimum Investment Certificate

Appendix "D-1" - Accredited Investor Risk Acknowledgement

Appendix "E" – Consent to Electronic Delivery of Documents

ARTICLE 2
FORMATION OF PARTNERSHIP

2.1 Formation of Partnership.

The General Partner and the Initial Limited Partner hereby acknowledge and confirm the formation of the Partnership as a limited partnership under the Limited Partnerships Act to carry on business under the firm name of Pavilion Flow-Through L.P. (2016) 1, or such other name or names as the General Partner may determine from time to time in its sole discretion.

2.2 Principal Place of Business.

The principal place of business of the Partnership will be the principal business address of the General Partner, 25 Adelaide St. East, Suite 1616 Toronto, Ontario, M5C 3A1.

2.3 Fiscal Year.

The first fiscal period of the Partnership shall end on December 31, 2016. Each subsequent fiscal period of the Partnership shall commence on January 1 and end on the earlier of December 31 of that year or the date of dissolution or other termination of the Partnership. Each such fiscal period is referred to in this Agreement as a "Fiscal Year".

2.4 Business of Partnership.

(a) The business of the Partnership is to invest in Flow-Through Shares issued by Resource Issuers engaged in either (i) oil and gas exploration, development and/or production; (ii) mineral exploration, development and/or production; or (iii) renewable energy exploration, development and/or production, with the objective of achieving capital appreciation and maximizing the tax benefits received by the Limited Partners in accordance with the investment strategy, criteria and restrictions set out herein. The Partnership will invest in a combination of private and public resource issuers and at any one time may have up to 85% invested in Resource Issuers whose common shares are not publicly traded and have at least 15% of the Partnership's Net Assets invested in Resource Issuers whose common shares are listed and posted for trading on the TSX Venture Exchange and, the Toronto Stock Exchange. The Partnership may also invest in flow-through special warrants which entitle the Partnership to acquire shares in the capital of Resource Issuers. As part of the Partnership's investment strategy, the Partnership may from time to time dispose of such Flow-Through Shares or other investments and reinvest the net proceeds from such dispositions (after consideration being given to applicable distributions to Limited Partners) in securities of Resource Issuers. All of the foregoing activities shall herein be collectively referred to as the "Business" of the Partnership.

(b) The Partnership will, on or before December 31, 2016, endeavour to subscribe for Flow-Through Shares having an aggregate purchase price equal to the aggregate Available Funds in contemplation of the Resource Issuers incurring Eligible Expenditures and renouncing Eligible Expenditures in an amount equal to the purchase price of such Flow-Through Shares to the Partnership. Pursuant to the terms of the Flow-Through Investment Agreements, such Eligible Expenditures will be renounced to the Partnership with an effective date no later than December 31, 2016. The Flow-Through Investment Agreements entered into by the Partnership during 2016 may permit a Resource Issuer to incur Eligible Expenditures at any time up to December 31, 2016, provided that the Resource Issuer agrees to renounce such Eligible Expenditures to the Partnership with an effective date on or before December 31,2016. If the General Partner is not able to identify a sufficient number of Flow-Through Shares it may invest in equity or equity-traded securities of Resource Issuers. Any Available Funds that have not been committed by the Partnership investment on or before December 31, 2016, will be either invested in non-flow-through shares of Resource Issuers or distributed on or prior to January 15, 2016, on a Pro Rata basis to Limited Partners of Record on December 31, 2016.

(c) The Partnership may carry on any business and exercise all powers ancillary and incidental to or in furtherance of the Business. The Partnership will not carry on any other business. The Partnership will not carry on business in any jurisdiction unless, in the opinion of legal counsel to the Partnership, the laws of that jurisdiction limit the liability of the Limited Partners substantially to the same extent that such Limited Partners enjoy limited liability under the laws of the Province of Ontario and unless the General Partner has taken all reasonable steps that may be required by the laws of that jurisdiction for the Limited Partners to benefit from such limited liability.

(d) Pending the investment of the Available Funds in the Business, all such Available Funds will be invested in High Quality Money Market Instruments.

2.5 Investment Objective.

The Partnership's investment objective is to achieve capital appreciation and the benefits of diversification from its investments in a portfolio of Flow-Through Shares of Resource Issuers that is pro-actively managed. It is the intention to invest all of the available proceeds in Flow-Through Shares to the greatest extent reasonably possible, however to the extent such investments are not possible or suitable, the Partnership may invest in each and high quality money market investments, equity or equity linked securities of

Resource Issuers that are not Flow-Through Shares, although such securities will not enjoy the same tax benefits. By focusing on Flow-Through Shares, the Partnership will utilize available provisions of the *Income Tax Act* (Canada) (the "Tax Act") to seek to maximize the tax benefits associated with its investments and to provide Subscribers with the potential for enhanced after-tax returns on the portfolio.

2.6 Investment Strategy.

The General Partner and the Investment Manager will implement and apply the Investment Objective described in the Offering Memorandum by selecting and actively monitoring investments in Resource Issuers. The Partnership intends to focus primarily on a portfolio of junior and to a lesser extent on lesser known and underappreciated mid-cap Resource Issuers including both private and public companies (i) who are being sponsored and controlled by an "elite" group of managers, promoters and operators with superior long-term performance track-records across multiple Resource Issuers and who are known and accessible to the Investment Manager; (ii) where the Investment Manager has reserved future financing capacity and the ability to participate in successive rounds of financing; (iii) where a pro-active investment style (i.e. access to management to provide strategy and growth ideas) has the potential to drive value upside and liquidity; (iv) where the companies have strong exploration and development potential based on their assets; and/or (v) where the Investment Manager believes the assets are being valued at a discount to intrinsic and realizable value and hence have the potential for exceptional growth.

2.7 Investment Criteria.

The Partnership will allocate all of the net proceeds of the Offering ("Available Funds") and any net proceeds realized by the Partnership in the sale of Flow-Through Shares from time to time to the greatest extent possible in investments in a portfolio of Flow-Through Shares in Resource Issuers that it will pro-actively manage. In entering into any Flow-Through Share Agreements with a Resource Issuer, the mechanism through which the Partnership will subscribe for Flow-Through Shares, in addition to the investment principles established in the Investment Objective and the Investment Strategy, the Investment Manager will use their best efforts to adhere to the following criteria in making investments:

(i) the Partnership will invest in a combination of private and public Resource Issuers and at any one time may have up to 85% invested in Resource Issuers whose common shares are not publicly traded and have at least 15% of the Partnerships' Net Assets invested in Resource issuers whose common shares are listed and posted for trading on the TSX Venture Exchange or the Toronto Stock Exchange;

(ii) the Partnership will invest no more than 20% of Net Asset Value in any one publicly-traded Resource Issuer; provided however that the Partnership may invest up to 25% of its Net Asset Value in any one private Resource Issuer or one who is a reporting issuer but whose shares are not listed and posted for trading in either of the TSX Venture Exchange or the Toronto Stock Exchange;

(iii) the Partnership will not invest in securities issued by any Resource Issuers, if after giving effect to such investment the Partnership would own more than 19.9% of any class of securities of such Resource issuer if it is a publicly traded company and 30% if such Resource Issuer is a private company;

(iv) the Investment manager will consider engineering reports when they are available, but will not necessarily require an engineering report;

(v) the Partnership will not invest in securities of issuers which not at arm's length (as such term is defined in the Tax Act) to the Partnership, the General Partner and the Investment Manager. Notwithstanding this limitation, for purposes of the proactive investment style of the Partnership, many of the issuers will have securities owned by the Investment Managers. One or more investee Resource Issuers may pay a due diligence and/or placement fee to the General Partner and the Investment Manager;

(vi) the Partnership may borrow money for the purpose of funding expenses of the Partnership and, with respect to such borrowings, may mortgage, pledge, and hypothecate any of its securities and other assets, provided that the total principal amount of such borrowings do not, at any time, exceed 10% of the Gross Proceeds; and

(vii) if the Investment Manager is not able to identify a sufficient number of Flow-Through Shares it may invest in equity or equity-traded securities of Resource Issuers.

Any amendment of the foregoing investment criteria must be approved by the Limited Partners by Special Resolution.

2.8 Term of the Partnership.

(a) The Partnership became a limited partnership on June 9, 2016, under the name "Pavilion Flow-Through LP (2016) 1" when a Declaration was filed on June 9, 2016. The Partnership will pursue its activities until the Termination Date. Upon dissolution, the General Partner will deal with the assets of the Partnership as described in Section 9.1.

(b) The Investment Manager is hereby authorized, if the Investment Manager determines to do so in its sole and absolute discretion, to implement a Mutual Fund Rollover Transaction pursuant to which the Partnership may transfer its assets to a

mutual fund corporation on a tax deferred basis in exchange for redeemable shares of the mutual fund corporation followed by distribution of the shares of the mutual fund corporation to the Limited Partners on a tax deferred basis upon dissolution of the Partnership (the "Mutual Fund Roll-Over Transaction"). The Mutual Fund Rollover Transaction will not be implemented if the General Partner and Investment Manager determine that it would prospectively or retrospectively affect the status of the Flow-Through Shares as flow-through shares for income tax purposes. if the General Partner does implement a Mutual Fund Roll-Over Transaction and/or that the General Partner has not otherwise fully monetized or distributed the securities of the Partnership, the Mutual Fund Roll-Over Transaction must be implemented by December 31, 2020 failing which the Partnership will be terminated on a date no later than March 31, 2021, unless market conditions do not permit an orderly termination, in which case the term of the Partnership will be extended for successive one year periods at the sole discretion of the General Partner. At the time of such termination, the Limited Partners will receive their pro rata share of the net assets of the Partnership. At that time, the Partnership will primarily own shares of Resource Issuers and cash. If the General Partner decides to implement the Mutual Fund Roll-Over Transaction, the terms of such Mutual Fund Rollover Transaction will be subject to the mutual agreement of the General Partner, the Investment Manager and the mutual fund corporation to the Mutual Fund Roll-Over Transaction, the receipt of all necessary regulatory approvals, and compliance with all applicable laws (which may require Limited Partner approval of the Mutual Fund Roll-Over Transaction). Those terms will also provide that the Partnership will use its best efforts to obtain, depending on the structure of the transaction, such approvals as may be required for the mutual fund corporation to become a reporting issuer, or to complete a takeover bid, in each of the jurisdictions where the Partnership is a reporting issuer and to meet all the requirements of any applicable policies (including, specifically, Rule 61-501 of the Ontario Securities Commission).

(c) The following conditions apply to a Mutual Fund Roll-Over Transaction:

(i) such transaction is subject to the mutual agreement of the General Partner, the Investment Manager and the mutual fund corporation to the Mutual Fund Roll-Over Transaction and such other matters as are appropriate, including obtaining the receipt of any necessary regulatory approvals and the requirements of applicable law, regulations and policies (including specifically Rule 61-501 of the Ontario Securities Commission) which may result in specific Limited Partner approval of the Mutual Fund Roll-Over Transaction being required, and the receipt of exemptions, if any, under National Instrument 81-102 to the extent that the assets of the Partnership being rolled into the mutual fund corporation may conflict with the investment restrictions of that National Instrument;

(ii) such transaction shall be implemented on not less than 21 days prior written notice to Limited Partners. Such notice shall be delivered to Limited Partners in accordance with the provisions of Article 14 of this Agreement and shall set out all material information pertaining to the transaction and the mutual fund corporation, including without limitation, Canadian federal income tax considerations relevant to Limited Partners; and

(iii) the Limited Partners may amend the terms of the Mutual Fund Rollover Transaction by way of Special Resolution. In the event that a meeting is required or requisitioned in accordance with Section 12.1 for the purpose of considering and voting on a proposal in connection with the Mutual Fund Rollover Transaction, such transaction shall not be implemented and the Partnership shall not be dissolved pending the outcome of such meeting. In the event that an alternative to the Mutual Fund Rollover Transaction is not approved by Special Resolution at any meeting requisitioned in respect thereof, the Mutual Fund Rollover Transaction may be implemented by the General Partner and Investment Manager in accordance with this Section, as such terms may be amended by Special Resolution at such meeting, without any further notice to the Limited Partners.

2.9 Title to Partnership Assets.

All property owned by the Partnership, whether real or personal, tangible or intangible, shall be deemed to be owned by the Partnership as an entity and no Partner, individually, shall have any ownership in such property. The General Partner and any wholly owned subsidiary thereof may hold title to the property of the Partnership in its own name for the benefit of the Partnership and will execute, or cause such subsidiary to execute, one or more declarations of trust thereof in favour of the Partnership and cause each such declaration to be filed or registered whenever and wherever the General Partner considers advisable for the protection of the interests of the Partnership.

ARTICLE 3
PARTNERSHIP CAPITAL

3.1 Number of Units.

The interests of the Limited Partners in the Partnership are divided into an unlimited number of Units. Each person recorded on the Record as a Limited Partner shall be deemed to be the holder of the number of Units set out opposite his or her name thereon. No fractional Units shall be issued or shall be permitted to be issued, transferred or assigned. The General Partner shall, subject to compliance with the Limited Partnerships Act and all applicable securities legislation, be authorized to offer a minimum of 30,000 and a maximum of 2,000,000 Units for sale pursuant to the Offering.

3.2 Nature of Units.

Except as otherwise herein expressly provided, each issued and outstanding Unit shall be equal to each other Unit with respect to all rights, benefits, obligations and limitations provided for in this Agreement and all other matters, including the right to receive distributions from the Partnership of an income nature both during continuation of the Partnership and upon dissolution, and no Unit shall have any preference, priority or right in any circumstances over any other Unit. Subject to the voting restrictions contained in Section 12.7 hereof, each Limited Partner will be entitled to one vote for each Unit held by him or her in respect of all matters to be decided by the Limited Partners.

3.3 Certificates.

(a) At each Closing the Partnership will issue to each Subscriber a Certificate representing the Units subscribed for by the Subscriber pursuant to the Offering. The General Partner will cause the Registrar and Transfer Agent to deliver the Certificate to the Subscriber in the manner otherwise applicable to notices generally in Section 14.1; provided that neither the General Partner nor the Registrar and Transfer Agent shall be liable to the Subscriber for any loss, expense or damage suffered by the Subscriber as a result of such Certificate being lost, destroyed or stolen prior to its delivery to the Subscriber.

(b) Each Certificate shall be in such form as the General Partner may from time to time approve. Every Certificate must be signed by at least one officer or director of the General Partner and by at least one authorized signing officer of the Registrar and Transfer Agent, but any signature other than that of the authorized signing officer of the Registrar and Transfer Agent appearing thereon may be mechanically reproduced, and the validity of a Certificate will not be affected by the circumstance that a person whose signature is so reproduced is deceased or no longer holds the office which he or she held when the reproduction of his or her signature in that office was authorized.

3.4 Receipt.

The receipt for any money, securities and other property from the Partnership by a person in whose name any Unit is recorded on the Record, or if such Unit is recorded in the names of more than one person, the receipt therefore by anyone of such persons or of the duly authorized agents of any such person in that regard shall be a sufficient discharge for all money, securities and other property payable, issuable or deliverable in respect of such Unit and from all liability to see to the application thereof.

3.5 Registrar and Transfer Agent.

The General Partner or such other person as may be appointed from time to time by the General Partner, shall be the Registrar and Transfer Agent of the Partnership and shall, in such capacity, act as registrar and transfer agent of the Units and shall maintain the Record. The General Partner shall cause the Registrar and Transfer Agent to perform all other duties usually performed by a registrar and transfer agent of certificates of shares in a corporation, except as the same may be modified by reason of the nature of the Units. The Investment Manager may be appointed as the Registrar and Transfer Agent.

3.6 Admission as Additional or Substituted Limited Partner.

When a Subscriber's subscription has been accepted pursuant to Section 4.3 and such Subscriber's cheque or bank draft for the Subscription Price has been honoured upon presentation for payment, or where a transferee or a successor of a Limited Partner is entitled to become a Limited Partner pursuant to the provisions hereof:

(a) all Partners will be deemed to consent to the admission of the Subscriber, the transferee or the successor to the Partnership as an additional or substituted Limited Partner, as the case may be, without further act of the Partners;

(b) the General Partner shall, or shall cause the Registrar and Transfer Agent to, enter such Subscriber, transferee or successor on the Record as an additional or substituted Limited Partner, as the case may be, and as the holder of Record of the applicable number of Units; and

(c) the General Partner shall execute this Agreement on behalf of such Subscriber, transferee or successor.

Upon the completion of the foregoing matters, such Subscriber, transferee or successor, as the case may be, shall become a Limited Partner. Pending payment of the Subscription Price in full, each Limited Partner will be entitled to, and subject to, the same rights,

benefits, obligations and limitations as are conferred or imposed on a Limited Partner holding a Unit certificate, except as specifically provided for in this Agreement.

3.7 Transfer of Units.

(a) Subject to the terms of this Agreement, a Limited Partner may transfer his or her Units.

(b) No transfer of Units shall be made if in the opinion of counsel to the Partnership such transfer would result in the violation of any applicable securities laws.

(c) No transfer of Units shall be effective unless accompanied by a duly executed Transfer Form and Power of Attorney, together with such evidence of the genuineness of each such endorsement, execution and authorization and of other matters as may reasonably be required by the Registrar and Transfer Agent are delivered to the Registrar and Transfer Agent.

(d) A transferee will not become a Limited Partner in respect of the Unit transferred to him or her until the prescribed information has been entered on the Record and has paid the reasonable fees and expenses of the Registrar and Transfer Agent associated with the transfer.

(e) No Unit may be transferred to a "non-Canadian" within the meaning of the Investment Canada Act or to a "non-resident" within the meaning of the Tax Act or to a person an interest in which is a "tax shelter investment" within the meaning of the Tax Act. Any such transfer shall be void *ab initio*.

(f) No transfer of a Unit shall cause a Dissolution of the Partnership.

(g) No transfer of Units shall be made if in the opinion of the General Partner the transferee is not capable of assuming the risks connected with owning Units or is otherwise not suitable to become a Limited Partner in the Partnership.

3.8 Recording of Transfer.

Subject to the provisions of Section 3.7, the Registrar and Transfer Agent will record all transfers of Units and the General Partner will amend or cause to be amended the Record and will do all things and make such filings and recordings as are required by law to effect and record such transfers.

3.9 Effective Date of Transfer.

The effective date of any transfer of Units is the later of the day on which all necessary documentation respecting such transfer has been filed or completed in accordance with this Agreement and applicable legislation and the day the General Partner records the transferee in the Record as having been admitted as a Limited Partner, as of which date the transferee will become a Limited Partner and will be deemed to have been accepted as such by every other Limited Partner.

3.10 New Certificate to Transferor.

In the case of a transfer under section 3.7(c) of less than all of the Units represented by any Certificate, a new Certificate shall be issued by the General Partner for the balance of the Units retained by the transferor.

3.11 No Obligation to See to Execution of Trust.

Except where specific provision has been made therefore in this Agreement, neither the Registrar and Transfer Agent nor the General Partner shall be bound to recognize or see to the execution of any trust (express, implied or constructive) or any charge, pledge or equity to which any of the Units or any interest therein are subject, nor to ascertain or inquire whether any sale or transfer of any such Units or any interest therein by any Limited Partner or his or her personal representatives is authorized by such trust, charge, pledge or equity, nor to recognize any person as having any interest in, or rights of an owner of, any Units except for the person recorded on the Record as the holder of such Units. No transfer shall relieve the transferor from any obligations to the Partnership incurred prior to the transfer becoming effective. No transfer of a fractional part of a Unit shall be recognized.

3.12 Successors in Interest of Limited Partners.

Any person becoming entitled to any Units in consequence of the death, incapacity or bankruptcy of any Limited Partner, or otherwise by operation of law, shall be recorded in the Record as a substituted Limited Partner and as the holder of such Units and shall receive a new Certificate therefore only upon production of evidence satisfactory to the Registrar and Transfer Agent of such entitlement, upon delivery of the existing Certificate and of the applicable transfer form duly completed and properly executed, upon compliance with and subject to the provisions of Sections 3.6 and 3.7, and upon delivery to the Registrar and Transfer Agent of such other evidence, approvals and consents in respect of such entitlement as the Registrar and Transfer Agent may require or as may be required by law. In the absence of compliance:

(a) such entitlement will not be recognized,

(b) the person claiming such entitlement will not be entered in the Record and will not become a substituted Limited Partner under the Limited Partnerships Act,

(c) no amendment to the Record will be made, and

(d) any such person will have no right to inspect the Partnership's books and records, to be given any information about the matters affecting the Partnership or to be given an accounting of the Partnership's affairs but will only be entitled to receive the share of the profits or other compensation by way of income or the return of capital contributed to which the transferor would otherwise be entitled.

3.13 Limitation Regarding Ownership of Units.

At no time may "financial institutions" (as that term is defined in subsection 142.2 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 shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the General Partner that the person is not a financial institution. If, notwithstanding the foregoing, the General Partner determines that more than 45% of the number of outstanding Units are held by financial institutions, the General Partner may send a notice to Limited Partners that are financial institutions, chosen in inverse order to the order of acquisition or registration or in such other manner as the General Partner may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 15 days. If a Limited Partner receiving such notice has not sold the specified number of Units or provided the General Partner with satisfactory evidence that it is not a financial institution within such period, the General Partner may on behalf of such Limited Partner sell the Units registered in the name of or owned by such Limited Partner and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected Limited Partner shall cease to be a Limited Partner and its rights shall be limited to receiving the net proceeds of sale of such Units.

3.14 Lost Certificate.

If a Limited Partner claims a Certificate registered in his or her name has been defaced, lost, apparently destroyed or wrongly taken, the General Partner shall cause a new Certificate to be issued in substitution for the original Certificate, if the Limited Partner:

(a) delivers to the Registrar and Transfer Agent the defaced Certificate, or

(b) delivers to the Registrar and Transfer Agent an indemnity bond or other acceptable security in form and amount satisfactory to protect the Registrar and Transfer Agent, the General Partner and the Partnership from any loss, cost, liability, expense or damage that they may incur or suffer by complying with the request to issue a new Certificate and the Limited Partner satisfies such of the reasonable requirements as may be imposed by the Registrar and Transfer Agent or the General Partner, including a requirement to deliver a proof of loss.

3.15 Units Owned by More Than One Person.

Where a Unit is subscribed for by or transferred to two or more persons, or a Unit is otherwise recorded in the name of two or more persons:

(a) the name of each person shall be shown on the Certificate in respect of the Unit;

(b) the Unit shall be presumed by the Partnership to be held jointly by the individuals indicated in the Certificate;

(c) the Certificate shall be delivered to the person whose name appears first on the Record in respect of the Unit;

(d) amounts distributed by the Partnership in respect of the Unit may be sent to the person whose name appears first on the Record in respect of the Unit or to such one of them as the joint holders direct in writing, and anyone of such persons may give effectual receipts for any monies or assets distributed in respect of the Unit with the other of such persons having no further recourse against the Partnership; and

(e) anyone of such persons may vote in respect of the Unit as if that person were solely entitled thereto, but if more than one of such persons is present or is represented at a meeting, the person whose name appears first on the Record in respect of the Unit shall alone be entitled to vote in respect thereof.

ARTICLE 4
SALE OF UNITS AND CONTRIBUTIONS

4.1 Sale of Units.

The General Partner is entitled to raise capital for the Partnership in all provinces and territories of Canada pursuant to the Offering Memorandum. It has chosen for the Partnership to raise subscriptions in all of the Provinces and Territories of Canada except Quebec. The General Partner has engaged Accilent Capital Management Inc. as Agent. The maximum number of Units which may be issued shall be limited to 2,000,000 and, except for the one Unit issued to the initial Limited Partner, such Units shall only be issued pursuant to the Offering. The Subscription Price paid, or agreed or caused to be paid, by a Subscriber for each Unit shall represent a contribution to the capital of the Partnership equal to the amount so paid and so agreed to be paid.

4.2 Initial Limited Partner.

Upon completion of the initial Closing, the Initial Limited Partner shall sell and the Partnership shall purchase for cancellation all right, title and interest of the Initial Limited Partner in the Partnership, in consideration of the payment by the Partnership to the Initial Limited Partner of the Initial Limited Partner's capital contribution.

4.3 Subscription for Units.

(a) A Subscriber may subscribe for Units by delivering to the General Partner or such other person at such address as the General Partner directs the Subscription Price therefore payable in the manner described in the Offering Memorandum, a Subscription Agreement in the form of Schedule "A" attached to this Agreement or such other instrument as the General Partner approves, completed and executed by such Subscriber in a manner acceptable to the General Partner, and such other instruments as the General Partner requests.

(b) Any Available Funds that have not been committed by the Partnership to investment, on or before December 31, 2016, will be either invested in non-flow-through shares of Resource Issuers or distributed on or prior to January 15, 2016 on a Pro Rata basis to Limited Partners of Record on December 31, 2016.

4.4 Acceptance of Subscription for Units.

The acceptance by the General Partner (on behalf of the Partnership) of a Subscriber's offer to purchase Units, whether in whole or in part, constitutes a subscription agreement between the Subscriber and the Partnership, upon the terms and conditions set out in the Offering Memorandum and this Agreement, including, without limitation, the following:

(a) each Subscriber 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 Subscriber that the General Partner or the service providers require in order to maintain the record of limited partners pursuant to applicable laws or for applicable tax purposes, including the name and address of such Subscriber or address for service and the social insurance number or corporation account number of such Subscriber, as the case may be, for the purpose of administering such Subscriber's subscription of Units;

(b) each Subscriber acknowledges that it is bound by the terms of this Agreement and is liable for all obligations of a Limited Partner;

(c) each Subscriber makes the representations, warranties, and covenants contained in this Agreement, including, without limitation, that the Subscriber, as an investor, is not a "non-resident" for the purposes of the Tax Act or a "non-Canadian" for the purposes of the Investment Canada Act, that it will maintain such status during such time as the Units are held by it, and that the acquisition of the Units has not been financed with borrowing for which recourse is, or is deemed to be, limited within the meaning of the Tax Act;

(d) each Subscriber irrevocably nominates, constitutions and appoints the General Partner as its true and lawful attorney with the full power and authority as set out in this Agreement, as more fully described in Section 16.1;

(e) each Subscriber irrevocably authorizes the General partner to, in its discretion, transfer the assets of the Partnership to an open-end mutual fund corporation and implement the dissolution of the Partnership in connection with any Mutual Fund Rollover Transaction;

(f) each Subscriber irrevocably authorizes the General Partner to file on its behalf all elections, determinations or designations under applicable income tax or other legislation in respect of the business of the Partnership, including the dissolution of the Partnership; and

(g) each Subscriber covenants and agrees that this Agreement and all documents executed and other actions taken on behalf of such Subscriber pursuant to the Power of Attorney set out in Section 16.1 will be binding upon such Subscriber, and each Subscriber agrees to ratify any of such documents or actions, upon request by the General Partner.

Such subscription agreement shall be evidenced by delivery of the Offering Memorandum to such Subscriber, provided that the Subscription of such Subscriber has been accepted, in whole or in part, by the General Partner.

4.5 Refusal of Subscription.

The General Partner shall have the right, in its sole discretion, to refuse to accept any subscription for Units. If, for any reason, a subscription for Units is not accepted or such subscription is accepted and the Subscriber is not entered on the Record as a Limited Partner, for any reason, the General Partner shall forthwith cause the Partnership to refund to the Subscriber the Subscription Price for such Unit previously paid by such Subscriber together with accrued interest thereon, if any.

4.6 General Partner Subscription.

The General Partner will have no obligation to subscribe for or otherwise acquire any Units or contribute to the capital of the Partnership, but the foregoing shall not be construed so as to prevent officers, directors, shareholders or other parties related to the General Partner from subscribing for or otherwise acquiring Units.

4.7 Accounts.

(a) The General Partner shall cause to be maintained on the books of the Partnership the following accounts for each Partner:

(i) an individual capital account (a "Capital Account") which account shall be credited by the amount of any capital contribution made by such Partner and shall be debited by the amount of any capital distributed or returned to such Partner; and

(ii) an individual current account (a "Current Account") which account shall be credited by the amount of income allocated to such Partner and shall be debited by the amount of loss allocated to such Partner.

(b) No Partner (other than the Initial Limited Partner) has the right to withdraw any capital or other amount or receive any distribution from the Partnership, except as provided for in this Agreement and as permitted by law but all Partners consent to such withdrawal of capital or receipt of a distribution by any other Partner.

(c) No Partner will have the right to receive interest on any balance in his or her Capital Account or Current Account.

(d) Except as provided in this Agreement or the Limited Partnerships Act, no Partner will be liable to pay interest to the Partnership on any capital returned to such Partner.

(e) Where a Limited Partner has received the return of all or part of his or her capital, he or she shall be liable to the Partnership or, where the Partnership is dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the capital.

(f) The interest of a Partner in the Partnership will not terminate by reason of there being a negative or zero balance in his or her Capital Account or Current Account.

(g) Subject to Sections 4.7(e) and 11.1(b), after payment of the Subscription Price in full no Limited Partner shall be obligated to make any additional contributions to the capital of the Partnership.

ARTICLE 5
ALLOCATION OF INCOME AND LOSS, AND ELIGIBLE EXPENDITURES

5.1 Determination of Income and Loss.

For the purposes of the allocation for accounting purposes of the income or the loss of the Partnership in respect of a particular Fiscal Year, the General Partner will determine such income or loss in accordance with generally accepted accounting principles and such income or loss shall be included in an applicable set of financial statements which shall be subject to audit by the Auditors.

5.2 Deductions.

In computing the Income or Loss of the Partnership for each Fiscal Year, the Partnership will claim the maximum amounts allowable under the Tax Act in respect of offering expenses, operating expenses and discretionary deductions.

5.3 Allocation to Partners.

(a) Subject to Section 10.4, except as otherwise provided for herein, any distribution of capital that is, pursuant to any provision of this Agreement, to be made among Limited Partners will be made in proportion to the credit balances in their respective Capital Accounts as at the end of the applicable Fiscal Year or, in the event of dissolution of the Partnership, on the date of dissolution.

(b) Subject to Section 10.4, any allocation of Income or Loss or distribution of cash of a non- capital nature that is to be made among the Limited Partners pursuant to this Agreement will be made in proportion to the number of Units held by them at the end of the applicable Fiscal Year or, in the event of dissolution of the Partnership, on the date of dissolution.

(c) Subject to Section 10.4, prior to the allocation or distribution of any amount or other property among the Partners pursuant to this Agreement, the General Partner shall, in consultation with the Auditors, designate such allocation or distribution as being of a capital nature and/or of a non-capital nature.

5.4 Allocation of Income.

Subject to Section 10.4, income for any Fiscal Year will be allocated as at the end of each Fiscal Year on the basis of 99.99% to the Limited Partners of Record at the end of the Fiscal Year and on the basis of 0.01% to the General Partner.

5.5 Allocation of Loss.

Loss for any Fiscal Year will be allocated as at the end of each Fiscal Year 100% to the Limited Partners of Record at the end of the Fiscal Year.

5.6 Allocation of Eligible Expenditures.

Subject to Section 10.4, the Partnership shall, as soon as practicable after the end of each Fiscal Year, allocate to each Limited Partner of Record at the end of such Fiscal Year, his or her Pro Rata share, calculated in proportion to the number of Units held by such Limited Partner at the end of the applicable Fiscal Year, or in the event of dissolution of the Partnership on the date of dissolution, of all of the Eligible Expenditures renounced to the Partnership by Resource Issuers with an effective date in such Fiscal Year. Subject to applicable law, the Partnership will not allocate Eligible Expenditures to any person who has a limited recourse amount which is reasonably related to Eligible Expenditures incurred by the Partnership. The Partnership will, to the extent possible, allocate such unallocated Eligible Expenditures Pro Rata among the remaining Limited Partners. If Eligible Expenditures of the Partnership are reduced by the limited recourse amount applicable to a particular Limited Partner, such reduction shall first reduce that Limited Partner's Pro Rata share of the Eligible Expenditures and, to the extent necessary, an appropriate adjustment to the Income or Loss, as applicable, which is allocated to such Limited Partner will be made.

5.7 Tax and Other Information.

In accordance with the Tax Act, the General Partner will provide each Limited Partner with information on the Partnership's Income, Loss and allocation of Eligible Expenditures.

5.8 Distribution of Cash.

The Investment Manager may, on behalf of the Partnership, sell Flow-Through Shares (subject to applicable hold periods) at any time if the Investment Manager is of the opinion that it is in the best interests of the Partnership to do so. The Partnership will only make distributions of Partnership assets as determined by the General Partner in its sole discretion. Any such distribution may or may not be sufficient to satisfy a Limited Partner's tax liability for the year arising from his or her status as a Limited Partner.

5.9 Repayments.

If, as determined by the Auditors, any Partner has received an amount which is in excess of his or her entitlement, such Partner shall forthwith reimburse the Partnership to the extent of such excess upon notice by the General Partner. The General Partner may, in addition to any other remedies available to it, set-off and apply any sums otherwise payable to a Partner against such amounts due from such Partner.

ARTICLE 6
FUNCTIONS AND POWERS OF THE PARTNERS

6.1 Authority of the General Partner.

(a) Subject to the provisions of this Agreement and any delegation of its powers properly authorized hereunder, the General Partner shall (to the exclusion of the Limited Partners) have the exclusive authority to administer, manage, conduct, control and operate the business and affairs of the Partnership and have all power and authority, for and on behalf of and in the name of the Partnership, to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary or appropriate for or incidental to carrying on the Business.

No person dealing with the Partnership will be required to verify the power of the General Partner to take any measure or to make any decision in the name of or on behalf of the Partnership.

6.2 Rights, Powers and Obligations of the General Partner.

(a) The General Partner will have all of the rights, powers and obligations that may be possessed by a general partner pursuant to the Limited Partnerships Act and such rights, powers and obligations otherwise conferred by law. Without limiting the generality of Section 6.1 but subject to the limitations set out elsewhere in this Agreement, the General Partner has full power and authority for and on behalf of and in the name of the Partnership:

(i) to enter into Flow-Through Investment Agreements with Resource Issuers to acquire Flow-Through Shares on customary terms and conditions, pursuant to the terms of such agreements, Resource Issuers from which the Partnership purchases Flow-Through Shares will be obligated to incur exploration and development expenditures that qualify as Eligible Expenditures. The Flow-Through Investment Agreements entered into with Resource Issuers will require the Resource Issuers to incur and renounce to the Partnership Eligible Expenditures in an amount equal to the subscription price and any Resource Issuer which fails to do so will be liable to the Partnership if it fails to satisfy such obligations;

(ii) to enter into agreements by or on behalf of the Partnership involving matters or transactions that are within the ordinary course of the Business;

(iii) to manage, control and develop all of the activities of the Partnership and to take all measures necessary or appropriate for the Business of the Partnership or ancillary thereto, and to ensure that the Partnership complies with all necessary reporting and administrative requirements;

(iv) to manage, administer, conserve, develop, operate and dispose of (subject to the provisions of Section 6.2(f)) any and all assets of the Partnership, including securities that are subject to hold periods, and in general to engage in any and all phases of the Business;

(v) to employ such persons necessary or appropriate to carry out the business and affairs of the Partnership and/or to assist it in the exercise of its powers and the performance of its duties hereunder and to pay such fees, expenses, salaries, wages and other compensation to such persons as it shall in its sole discretion determine;

(vi) to make any and all expenditures and payments which it, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Partnership and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, (i) all legal, accounting and other related expenses incurred in connection with the organization and financing of the Partnership and (ii) the fees payable to the General Partner;

(vii) to open and operate one or more bank accounts in order to deposit and to distribute funds of the Partnership and to appoint from time to time signing officers and to draw cheques and other payment of monies, provided Partnership funds are not commingled with the General Partner's funds;

(viii) to file income tax and annual returns required by any governmental or like authority;

(ix) to keep adequate books and records reflecting the activities of the Partnership;

(x) subject to the provisions of Sections 3.6 and 4.6, to admit any person as a Limited Partner;

(xi) to make any election, determination, or designation that may be made under the Tax Act or any other fiscal legislation and any and all applications for governmental grants or other incentives;

(xii) to execute any and all deeds, documents and instruments and to do all acts as may be necessary or desirable in the opinion of the General Partner to carry out the intent and the purpose of this Agreement;

(xiii) to pay, on behalf of the Partnership, finder's fees in its sole discretion to parties who bring Partnership investment opportunities to the General Partner;

(xiv) without limiting the foregoing, to vote and represent (or appoint proxies for same) the Partnership at all meetings of companies in which the Partnership holds voting securities; and to exercise any and all rights and execute any and all documents, in its absolute discretion, relating to the Partnership's participation in such companies;

(xv) to obtain and maintain insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable with respect to the business of the Partnership;

(xvi) to enter into and acquire other partnerships, companies or business organizations or incorporate, operate and participate in other partnerships, companies or business organizations necessary or advisable for the business of the Partnership and vote for and represent (or appoint proxies for same) the Partnership at all meetings of such partnerships, companies or business organizations and to exercise any and all rights and execute any and all documents, in its absolute discretion, relating to the Partnership's participating in such other partnerships, companies or business organizations;

(xvii) to commence and defend any action or proceeding in connection with the Partnership; and

(xviii) for and on behalf of the Partnership and each Limited Partner, to cause the Partnership to transfer the assets of the Partnership to a mutual fund corporation, implement the dissolution of the Partnership in accordance with Article 9, and to file all elections deemed necessary or desirable by the General Partner, or required to be filed under the Tax Act and any other applicable tax legislation in respect of any transaction with the mutual fund corporation or the dissolution of the Partnership, without any authorization given by the Limited Partners in respect thereof other than the irrevocable authorization of the General Partner to do so given by each Limited Partner pursuant to the power of attorney provided in Section 16.1 (and for greater certainty, the General Partner is not required to, but may in the sole discretion of the General Partner, call a meeting of Partners to approve the Mutual Fund Rollover Transaction or the dissolution of the Partnership or to obtain the approval of the Limited Partners in respect thereof by a Special Resolution).

(b) Subject to Section 7.2 concerning administration expenses, the General Partner may itself render services to the Partnership, provided that the services rendered by the General Partner or by any other party associated with the General Partner are performed pursuant to a written agreement and are charged to the Partnership at rates consistent with those of a third party dealing at arm's length with the General Partner and furnishing similar services.

(c) The General Partner will have the power on behalf of the Partnership and of each Limited Partner to make, in respect of the Partnership and of any 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, including but not necessarily limited to the following:

(i) all necessary tax shelter information returns;

(ii) all necessary filings in respect of allocations of Eligible Expenditures; and

(iii) any information return required to be filed in respect of the activities of the Partnership, except to the extent that such information returns may have to be completed or filed by the Limited Partners themselves.

(d) 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 information returns by March 31 (or as soon as possible thereafter) of the subsequent Fiscal Year;

(ii) if required by applicable law, an annual report within the prescribed period;

(iii) all other tax filing related information respecting each Fiscal Year as described in Section 8.2 by March 31 (or as soon as possible thereafter) of the subsequent Fiscal Year; and

(e) In addition, the General Partner shall ensure that interim unaudited financial statements of the Partnership and other reports as are from time to time required by applicable law are prepared and, if required by applicable law, delivered to each Limited Partner within the prescribed time periods, subject to any exemption from such requirements that is available or may be obtained from regulatory authorities pursuant to applicable securities laws. Each interim financial statement will be accompanied by a narrative report describing the affairs and operations of the Partnership.

(f) Unless authorized by a Special Resolution, the General Partner, on behalf of the Partnership, will not be entitled to effect a bulk sale of the assets of the Partnership other than in connection with a Mutual Fund Rollover Transaction.

6.3 Delegation and Termination.

(a) The General Partner may contract with any person to carry out any of the duties of the General Partner hereunder and may delegate to such person any power and authority of the General Partner hereunder, but no such contract or delegation will relieve the General Partner of any of its obligations hereunder. In particular, but not so as to limit the generality of the

foregoing, the General Partner may, but shall not be required to, enter into the following agreements on behalf of the Partnership:

(i) an investment management agreement between the General Partner and the Investment Manager pursuant to which the Investment Manager will provide advice on and manage the Partnership's investment portfolio, select Resource Issuers and enter into Flow-Through Investment Agreements with them for and on behalf of the Partnership and will be responsible for the administration of the daily operations and affairs of the Partnership;

(ii) an agency agreement among the Partnership, the General Partner and the Agent, pursuant to which the Agent may offer the Units for sale to the public in Ontario; and

(iii) an agreement among the Partnership, the General Partner and the Registrar and Transfer Agent, pursuant to which the Registrar and Transfer Agent is retained to perform registrar and transfer agent services and distribution agent services and also to provide certain financial, record-keeping, reporting and administration services.

(b) The General Partner may terminate or appoint successors to any of the parties listed in Section 6.3(a) and enter into similar agreements with such successor parties, without any need for any such action to be approved or ratified by the Limited Partners.

(c) The investment management agreement, unless terminated, will continue until the termination of the Partnership. Either the Investment Manager or the General Partner may terminate the investment management agreement upon 30 days written notice (or such lesser period as may be provided for in the investment management agreement) of such termination delivered to the Investment Manager or General Partner, as applicable.

(d) If the investment management agreement is terminated as provided in section 6.3(c) the General Partner will, in its sole discretion, appoint a successor Investment Manager who is qualified in Ontario as an investment advisor and portfolio manager to continue to carry out the activities of the terminated Investment Manager.

6.3 Exercise of Good Faith.

(a) The General Partner shall exercise its powers and discharge its duties and obligations hereunder honestly, in good faith, and in the best interests of the Limited Partners and the Partnership and shall, in discharging its duties, exercise the degree of care, diligence and the skill that a reasonably prudent general partner would exercise in similar circumstances.

(b) During the existence of the Partnership, the officers of the General Partner shall devote such time and effort to the Partnership's Business as may be necessary to promote adequately the interests of the Partnership and the mutual interests of the Limited Partners. The General Partner shall not engage in any business, other than acting as the general partner of the Partnership.

(c) It is acknowledged and agreed that Affiliates of the General Partner, the Investment Manager, and their respective directors and officers may engage in and possess an interest in business ventures of any and every type and description, independently or with others, including, without limitation, acting as general partners or managers of other limited partnerships or other entities which invest in Flow-Through Shares of Resource Issuers. Neither the Partnership nor any Partners shall by virtue of this Agreement have any right, title or interest in or to such independent ventures. Any conflicts of interest which arise involving the Partnership or the General Partner shall be dealt with on a basis consistent with the objectives of the Partnership and the duty of the General Partner to deal honestly, in good faith and in the best interest of the Limited Partners and the Partnership.

6.4 Commingling of Funds.

The General Partner shall not commingle Partnership funds with the General Partner's funds.

6.5 No Management or Control by Limited Partners.

No Limited Partner shall:

(a) take part in the control or management of the Business or exercise any power in connection there with;

(b) execute any document which binds or purports to bind any other Partner or the Partnership;

(c) hold itself out as having the power or authority to bind any other Partner or the Partnership;

(d) have any authority or power to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership;

(e) bring any action for partition or sale or otherwise, in connection with the Partnership, any interest in any property of the Partnership, whether real or personal, tangible or intangible, or register or permit to be filed, registered or remain undischarged any lien or charge in respect of any property of the Partnership;

(f) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind; or

(g) take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership.

6.6 Compliance with Laws.

Each Limited Partner will, on the request of the General Partner, immediately execute such documents considered by the General Partner to be necessary to comply with any applicable law or regulation of any jurisdiction in Canada, for the continuation, operation or good standing of the Partnership.

ARTICLE 7
FEES AND EXPENSES

7.1 Initial Expenses.

The Partnership shall pay all issue expenses of $150,000 plus a 1% distribution fee in the event of the maximum offering and Agent's Fees of up to 10% of the Gross Proceeds of the Offering in the aggregate. The General Partner shall pay all issue expenses and Agent's Fees greater than such amounts from the Management Fees.

7.2 Ongoing Expenses.

In addition to the management fee, the Partnership will pay all of the Partnership's administrative and operating expenses after the initial Closing, which expenses will include, without limitation, administration fees, expenses relating to investment transactions (including finder's fees, if any, but excluding brokerage costs), taxes, legal, audit and valuation fees, Limited Partner reporting costs, registrar and transfer agency costs, printing and mailing costs and costs to be incurred in connection with the Partnership's continuous public filing obligations. Each of the General Partner and the Investment Manager are responsible for its own overhead costs, including office facilities, equipment and employees.

7.3 Management Fee.

The General Partner, the Investment Manager, and the Investment Fund Manager shall be entitled to a monthly management fee, calculated and paid monthly, equal to 1/12 of 2.25% of the Net Asset Value of the Partnership, commencing on the date of the initial Closing. The management fee will be based on the Net Asset Value of the Partnership at the Valuation Date for the preceding month and audited annually. The General Partner is responsible for the fees payable to the Investment Manager. The General Partner is responsible for all fees and performance fees payable to the Investment Manager, and the Investment Fund Manager without recourse to the Partnership. The General Partner shall be entitled to receive and retain and/or share with the Investment Manager, and the Investment Fund Manager and without any accounting to the Partnership, any directors, consulting, due diligence and/or placement fees and warrants from investee Resource Issuers.

ARTICLE 8
ACCOUNTING AND REPORTING

8.1 Records and Books of the Partnership.

(a) During the term of the Partnership and for a period of six years thereafter, the General Partner will keep at its principal place of business, proper and complete records and books of account reflecting the assets, liabilities, income and expenditures of the Partnership and copies of those documents and records described in Section 8.1(b).

(b) The General Partner, either directly or by the Registrar and Transfer Agent, must maintain a Record that will, list the names and addresses of all the Limited Partners and the number of Units held by each of them. In addition, the General Partner shall keep a record of the accounts referred to in Section 4.7(a). The Record and any other books, records and registers provided for in this Section will be available for inspection and audit by any Limited Partner or its duly authorized representative during normal business hours by appointment at the office of the General Partner and, upon request either in person or by mail, the General Partner will furnish a copy of such records to any Limited Partner or its duly authorized representative for the cost of reproduction and mailing.

(c) In the event that there is a change in the Registrar and Transfer Agent, the General Partner will notify the Limited Partners of any such change.

8.2 Annual Report and Income Tax Information.

The General Partner will deliver to each person who was a Limited Partner of Record at the end of each Fiscal Year:

(a) if required by applicable law, an annual report for such Fiscal Year within the prescribed period of time, subject to any exemption from such requirements that is available or may be obtained from regulatory authorities pursuant to applicable securities laws, which annual report will contain:

(i) audited financial statements of the Partnership as at the end of and for such Fiscal Year, with comparative financial statements as at the end of and for the immediately preceding Fiscal Year, including:

(A) a statement of net assets;

(B) a statement of operations;

(C) a statement of changes in net assets;

(D) a statement of investment portfolio; and

(E) notes to the financial statements;

(ii) a report on allocations and distributions to Partners in order for such Limited Partner to claim his or her Pro Rata share of Eligible Expenditures;

(iii) a narrative report describing the affairs and operations of the Partnership; and

(iv) such other information as, in the opinion of the General Partner, is material to the Business of the Partnership; and

(b) by March 31 (or as soon as possible thereafter) of the subsequent Fiscal Year such other information as is necessary to enable such person to file returns under the Tax Act and/or under the income tax laws of such other provinces in which he or she resides and with respect to his or her income from, and expenses and deductions derived from his or her participation in, the Partnership in such Fiscal Year.

Neither the General Partner nor the Partnership shall have any responsibility to prepare or file income tax returns for any Limited Partner.

8.3 Auditors.

The appointment of Auditors for the Partnership will be made by the General Partner in its sole and unfettered discretion provided only that such auditors be chartered professional accountants licensed to practice accounting in Canada.

8.4 Independent Valuation.

The Net Asset Value of the Partnership will be calculated at each Valuation Date and will be independently audited by the Partnership's Auditors, in accordance with Canadian generally accepted auditing standards, where the Valuation Date is December 31 in each year and the assets of the Partnership exceed $1,000,000.

8.5 Publication.

Prior to termination of the Partnership, the Net Asset Value of the Partnership will be calculated at each Valuation Date and made available for publication.

8.6 Accounting.

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.

8.7 Restricted Access to Books and Records.

Except as authorized by Ordinary Resolution, a Limited Partner will not have access to any information of the Partnership which, in the opinion of the General Partner, should be kept confidential in the interests of the Partnership, and each Limited Partner by becoming a Limited Partner expressly waives any right, statutory or otherwise, to greater access to the books and records of the Partnership than is permitted by this Agreement.

ARTICLE 9
DISSOLUTION

9.1 Dissolution Events.

(a) The Partnership shall terminate and will be dissolved:

(i) on December 31, 2020, or such earlier date, as may be determined by the General Partner in its sole discretion;

(ii) on the implementation and completion of a Mutual Fund Rollover Transaction, or a final dissolution in the absence thereof, on or prior to March 31, 2021, in accordance with the provisions of Section 2.8;

(iii) on such other date as the General Partner may propose in writing and the Limited Partners may consent to by means of a Special Resolution; or

(iv) if prior to the foregoing dates, provided, however, that the General Partner may extend such date if in its sole opinion it is advisable to do so because of adverse market conditions, an event referred to in Section 15.1 has occurred and a new general partner has not been appointed by the Limited Partners on or before 180 days following the occurrence of such an event.

which date of termination and dissolution of the Partnership is called the "Termination Date".

(b) The Partnership will not terminate or be dissolved by reason of the death, insolvency, bankruptcy or other disability or withdrawal of any Limited Partner or upon the transfer of any Units.

(c) In connection with the termination of the Partnership as contemplated by Section 9.1(a) above, the General Partner or its designee (or in the event of an occurrence described in Section 9.1 (a)(iv), such other person as may be appointed by Ordinary Resolution of the Limited Partners) shall act as receiver of the assets of the Partnership and, in the order of priority set forth below, shall:

(i) wind-up the affairs of the Partnership and liquidate in the General Partner's discretion all or part of the Partnership's assets as promptly as reasonably possible or hold same for distribution to the Limited Partners as the General Partner may in its discretion determine. In the event of and as part of any liquidation of the Partnership's assets, the General Partner (or such other receiver) shall sell the Partnership's portfolio in the market or by private sale, with a view to maximizing sales proceeds for the purpose of making the payments contemplated in (ii) and (iii) below; and thereafter

(ii) provide for the payment of the debts and liabilities of the Partnership and liquidation expenses and contingent liabilities; and thereafter

(iii) distribute the remaining assets of the Partnership, if any, in the following manner:

(A) in the event that on the date of dissolution there remains a credit balance in the Capital Account of any of the Limited Partners, the net assets shall be distributed proportionately among those Limited Partners who have credit balances in their Capital Accounts (and such distribution shall be deemed to be a return of capital to such Limited Partners); and

(B) in the event that on the date of dissolution there are no credit balances in the Capital Accounts of the Limited Partners, or if there remain net assets of the Partnership after the distribution required to be made under (A) above has been completed, the balance of such net assets in the form of cash shall be distributed Pursuant to the terms of the Partnership Agreement and the Investment Management Agreement, and the Investment Fund Management Agreement the General Partner, the Investment Manager, and the Investment Fund Manager are collectively entitled to a performance fee (the "Performance Fee") payable on the earlier of (a) the business day prior to the date of the Mutual Fund Rollover Transaction (as defined below) and (b) the business day immediately prior to the date of dissolution or termination of the Partnership (the "Performance Fee Date"), equal to 20% of the amount that is equal to the product of (i) the number of Units outstanding on the Performance Fee Date and (ii) the amount by which the Net Asset Value per Unit on the Performance Fee Date plus any distributions per Unit paid until the Performance Fee exceeds $11.20.The Performance Fee will be paid to the General Partner for distribution to the Investment Manager and the Investment Fund Manager in cash before any assets of the assets are exchanged as part of a Mutual Fund Rollover Transaction or the dissolution or termination of the Partnership; and thereafter;

(iv) 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 Limited Partnerships Act.

(d) Except upon dissolution of the Partnership or the return of capital to the Initial Limited Partner, no Limited Partner may request any reimbursement of the capital contributed by it to the Partnership.

(e) Except as provided for in this Article 9, no Limited Partner will have the right to ask for the dissolution of the Partnership, for the winding-up of its affairs or for the distribution of its assets.

(f) Notwithstanding the dissolution of the Partnership, this Agreement will not terminate until the provisions of Section 9.1(c) have been complied with.

(g) The Partnership and the General Partner will prior to the dissolution of the Partnership use their best efforts to obtain any consents, rulings, orders, waivers or discretionary relief, including such relief as may be appropriate to eliminate any resale restrictions which may be applicable to any securities to be distributed to Limited Partners by the Partnership, as may be required to permit the Partnership to implement any in specie distribution of assets to the Limited Partners in connection with the termination of the Partnership.

ARTICLE 10
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTNERS

10.1 Representations, Warranties and Covenants of the General Partner.

(a) The General Partner hereby represents and warrants to the Limited Partners that:

(i) the General Partner is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to own its assets and to carry on its business and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which the General Partner is subject;

(ii) the General Partner has good and sufficient power, authority and right to enter into and deliver this Agreement and act as the General Partner and its obligations herein do not conflict with or constitute a default under its articles of incorporation, its by-laws or any agreement by which it is bound or laws to which it is subject;

(iii) this Agreement constitutes a valid and legally binding obligation of the General Partner, enforceable against the General Partner in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and

(iv) the Partnership does not, and will not at the initial Closing, have any assets or liabilities other than those contemplated by the Offering Memorandum and this Agreement.

(b) The General Partner hereby covenants that:

(i) the only business conducted by the General Partner will be the management of the Business;

(ii) the General Partner will maintain the registrations necessary for the conduct of its business and will have the licenses and permits necessary to carry on the Business in all jurisdictions where the activities of the Partnership require such licensing or other form of registration;

(iii) the General Partner will make in a timely manner all filings respecting the Partnership which may be required to be made pursuant to the terms of this Agreement or applicable legislation, subject to any exemption from such requirements that is available or may be obtained from regulatory authorities pursuant to applicable laws;

(iv) the General Partner will exercise the powers conferred upon it hereunder in pursuance of the Business and will devote such time, with the appropriate personnel, to the conduct of the affairs of the Partnership as may be reasonably required for the proper management of the affairs of the Partnership;

(v) the General Partner is not and will not be a "non-resident" for the purposes of the Tax Act; and

(vi) the General Partner, on behalf of the Partnership, will enter into Flow-Through Investment Agreements with Resource Issuers to acquire Flow-Through Shares which contain customary terms and conditions.

10.2 Representations, Warranties and Covenants of Limited Partners.

Each Limited Partner represents and warrants to and covenants with the General Partner and all the other Limited Partners that:

(a) the Limited Partner's subscription for Units is being made by the Limited Partner as principal for the Limited Partner's own account and not for the benefit of any person;

(b) if an individual, the Limited Partner has attained the age of majority and has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto;

(c) if a corporation or body corporate, partnership, syndicate or other form of unincorporated organization, the Limited Partner has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto and all necessary approvals by directors, shareholders and members of the Limited Partner, if applicable, or otherwise have been given to authorize it to enter into and execute this Agreement and to take all actions required pursuant hereto;

(d) this Agreement has been duly executed and delivered by the Limited Partner and is a legal, valid and binding agreement enforceable in accordance with its terms and the entering into of this Agreement and the completion of the transactions contemplated hereby does not and will not result in a violation of any other terms and provisions of any indenture or other agreement, written or oral, to which the Limited Partner may be a party and, if the Limited Partner is not an individual, the Limited Partner's constating documents, by-laws or any resolution of its members, shareholders or directors;

(e) the Limited Partner, or any other beneficial owner of the Units registered in his or her name, is not a "non-resident" of Canada for the purposes of the Tax Act;

(f) the Limited Partner is not a "non-Canadian" as that term is defined in the *Investment Canada Act;*

(g) no interest in the Limited Partner is a "tax shelter investment" as that term is defined in the Tax Act;

(h) the Limited Partner has not financed his or her acquisition of Units with a financing for which recourse is or is deemed to be limited (as further described in Section 10.4) within the meaning of the Tax Act;

(i) the Limited Partner is not a Resource Issuer which has entered into, or to the best of the Limited Partner's knowledge, proposes to enter into, a Flow-Through Investment Agreement with the Partnership nor does the Limited Partner not deal at arm's length with any such Resource Issuer;

(j) the Limited Partner is not a financial institution as defined in section 142.2 of the Tax Act;

(k) the Limited Partner recognizes that an investment in the Units involves a high degree of risk, and the Limited Partner is able to bear the economic risk of the investment in the Units, including the risk of total loss of the investment;

(l) the Limited Partner has knowledge and experience with respect to investments similar to the Units enabling the Limited Partner to evaluate the merits and risks thereof and the capacity to obtain competent independent business, legal and tax advice regarding this investment;

(m) the Limited Partner has been advised to consult its own legal advisers in connection with the applicable statutory hold periods and resale restrictions relating to the Units and no representation has been made respecting applicable statutory hold periods or resale restrictions relating to such securities;

(n) the Limited Partner has received, read and fully understands the Offering Memorandum and has had the opportunity to ask and have answered any and all questions which the Limited Partner wished with respect to the business and affairs of the Partnership, the Units and the Limited Partner's subscription for Units;

(o) the Limited Partner has not received, requested or been provided with, nor has any need to receive, a prospectus, or similar disclosure document relating to the offer, issuance or sale of the Units and/or the business and affairs of the Partnership other than the Offering Memorandum and that the decision to enter into this Agreement and purchase the Units has not been based upon any verbal or written representation as to fact or otherwise made by or on behalf of the General Partner, the Partnership or any officer, director, employee or agent of the General Partner or the Partnership, and that such decision is based entirely upon the information set out in the Offering Memorandum and this Agreement;

(p) neither the Partnership or General Partner, nor any director, officer, employee or agent thereof, has made any representation about the present or future value of the Units, and the only representations upon which the Limited Partner may rely are those contained in the Offering Memorandum and in this Agreement;

(q) the Limited Partner acknowledges that no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Units;

(r) the Limited Partner acknowledges that no prospectus has been filed by the Partnership with a securities commission or other securities regulatory authority in any province of Canada or any other jurisdiction in connection with the issuances of the Units and that such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of applicable securities laws and, as a result, in connection with the purchase of the Units by the Limited Partner:

(i) the Limited Partner is restricted from using most of the civil remedies available under securities laws;

(ii) the Limited Partner will not receive information that would otherwise be required to be provided to the Limited Partner under applicable securities laws or contained in a prospectus prepared in accordance with applicable securities laws; and

(iii) the Partnership is relieved from certain obligations that would otherwise apply under such applicable securities laws;

(s) the Limited Partner acknowledges that the Units will be subject to an indefinite hold period and may not be resold except in compliance with exemptions under Applicable securities Laws and with the terms of this Agreement; and compliance with the requirements of applicable securities laws and National Instrument 45-102 - *Resale of Securities;*

(t) the Limited Partner acknowledges that upon the issuance of the Units, the Certificates representing such securities (and any replacement Certificate issued prior to the expiry of the applicable hold period) will bear the following legend in accordance with applicable securities laws:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF: (i) _____; AND (ii) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY";

(u) the Limited Partner acknowledges that no person has made any written or oral representation to the Limited Partner:

(i) that any person will resell or repurchase the Units;

(ii) that any person will refund the purchase price of the Units other than as may be provided in this Agreement;

(iii) relating to the future price or value of the Units; or

(iv) that the Partnership will become a reporting issuer in any province or territory or that the Units will be listed;

(v) the Limited Partner is a resident of a province or territory of Canada, except Quebec; and

(w) the Limited Partner qualified for one or more of the prospectus exemptions set out in the Subscription Agreement attached as Schedule "A" to this Agreement. and has delivered the applicable forms related thereto.

Each Limited Partner covenants and agrees to promptly provide evidence of the foregoing representations and warranties at any time or times as the General Partner reasonably requires.

10.3 Deemed Sale of Units.

A Limited Partner who ceases to be a resident of Canada for purposes of the Tax Act is deemed to have disposed of, to the Partnership, his or her Units in the Partnership at the moment in time immediately preceding the time at which the Limited Partner ceases to be a resident of Canada. The Limited Partner shall be entitled to receive from the Limited Partnership proceeds of disposition equal to the Net Asset Value of the Units of such Limited Partner at the last Valuation Date prior to the date on which such Limited Partner ceases to be a resident of Canada for purposes of the Tax Act. Notwithstanding any other provision of this Agreement, following such disposition such former Limited Partner shall, pursuant to subsection 96(1.1) of the Tax Act, continue to be allocated the share of the Income or Loss of the Partnership which would have been allocated to him or her in the absence of such disposition in respect of each fiscal period of the Partnership ending prior to the earliest of: (a) the date on which such former Limited Partner notified the General Partner of such change in residency; or (b) the date on which the General Partner requests proof from the former Limited Partner of its Canadian residency.

10.4 Prohibition of Limited Recourse Financing.

Each Limited Partner agrees not to finance any portion of the Subscription Price with borrowing that would be a "limited recourse amount" for tax purposes. A limited recourse amount means the unpaid principal amount of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently, and also includes any borrowing which is deemed to be a limited recourse amount. Borrowing will not be deemed to be a limited recourse amount if:

(a) bona fide arrangements, evidenced in writing, are made at the time the debt arose for the repayment by the borrower of the principal and interest on the debt within a reasonable period of time, not greater than 10 years;

(b) the debt is not a part of a series of loans and repayments that ends more than 10 years after it begins; and

(c) interest on the debt is payable at least annually, and is actually paid no later than 60 days after the end of the borrower's taxation year, at a rate equal to or greater than the lesser of:

(i) the prescribed interest rate for tax purposes in effect at the time when the debt arose; and

(ii) the prescribed interest rate for tax purposes applicable from time to time during the term of the debt.

Where the Limited Partner is itself a limited partnership, any borrowing will be deemed to be a limited recourse amount regardless of its repayment terms. Therefore, such a Limited Partner is prohibited from borrowing to pay the Subscription Price. If a Limited Partner has a borrowing that is a limited recourse amount which is reasonably related to Eligible Expenditures which are incurred or deemed to be incurred by the Partnership, the General Partner will have the right to, and will, make a corresponding reduction in Eligible Expenditures or an adjustment to the Income or Loss, as applicable, which is allocated to that Limited Partner.

10.5 Term of Representations.

The representations, warranties and covenants contained in this Article 10 will remain valid after execution of this Agreement and each party will be required to ensure that each representation, warranty and covenant made pursuant to the above provisions remains true so long as such party remains a Partner, unless such representation, warranty or covenant states otherwise.

ARTICLE 11
LIABILITIES OF THE PARTNERS

11.1 Liability of General and Limited Partners.

(a) The General Partner has unlimited liability for the undertakings, liabilities and obligations of the Partnership. The General Partner will not be liable to the Limited Partners for any mistakes or errors in judgment, or for any act or omission believed by it in good faith to be within the scope of the authority conferred upon it by this Agreement (other than an act or omission which is in contravention of this Agreement or which results from or arises out of negligence or willful misconduct in the performance of, or willful disregard of, the obligations or duties of the General Partner under this Agreement) or for any loss or damage to any of the property of the Partnership attributable to an event beyond the control of the General Partner or its Affiliates.

(b) Subject to applicable law, the liability of each Limited Partner for the undertakings, liabilities and obligations of the Partnership will be limited to the amount of such Limited Partner's capital contribution (including any portion of the Subscription Price owed but not yet paid) plus his or her Pro Rata share of any undistributed Income of the Partnership. Except as provided in Sections 11.1 (c) and (d), a Limited Partner will have no further personal liability and, following the full payment of its Subscription Price, a Limited Partner will not be liable for any further calls or assessments or further contributions to the Partnership. However, if as a result of a distribution to the Partners, the capital of the Partnership is reduced and the Partnership becomes unable to discharge its debts in the normal course, each Partner having received any such distribution, agrees to return same, with interest, to the Partnership to the extent necessary to restore the capital of the Partnership to its existing amount immediately before such distribution.

(c) The Limited Partners acknowledge the possibility that, among other reasons, they may lose their limited liability:

(i) to the extent that the principles of the relevant provincial, territorial or Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province or territory; or

(ii) by taking part in the control or management of the Business; or

(iii) as a result of false statements in the public filings made pursuant to the Limited Partnerships Act, in which case they may be liable to third parties.

(d) Each Limited Partner shall indemnify and hold harmless the Partnership, the General Partner and each other Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by the Partnership, the General Partner or the other Limited Partners by reason of misrepresentation or breach of any of the warranties or covenants of such Limited Partner as set out in Section 10.2.

11.2 Indemnity of Limited Partners.

(a) The General Partner will indemnify and hold harmless each Limited Partner from 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: (i) caused by an act or omission of the General Partner or by the negligence or willful misconduct in the performance of, or willful disregard or breach of, the obligations or duties of the General Partner under this Agreement; and (ii) not caused by an act or omission of such Limited Partner or a change in any applicable legislation. Such indemnity will apply only with respect to losses in excess of the agreed 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 gross negligence or willful misconduct in the performance of, or willful disregard or breach of, the obligations or duties of the General Partner hereunder.

(b) The amount of any such indemnity will be limited to the extent of the assets of the General Partner and will under no circumstance include the assets of the General Partner's parent corporation or any Affiliate of the General Partner. Except as specifically provided for in this Section 11.2, the General Partner will not otherwise be called upon or be liable to indemnify the Partnership or any Limited Partner.

11.3 Costs of Litigation.

In any action, suit or other proceeding commenced by a Limited Partner against the General Partner other than a claim for indemnity under Section 11.2(a), the Partnership shall bear the reasonable expenses of the General Partner in any such action, suit or other proceedings in which or in relation to which the General Partner is adjudged not to be in breach of any duty or responsibility imposed upon it hereunder, otherwise, such costs will be borne by the General Partner.

ARTICLE 12
PARTNERSHIP MEETINGS

12.1 Meetings.

The General Partner may at any time call a meeting of Partners, and will call such a meeting on receipt of a written request from the Limited Partners holding, in the aggregate, not less than 10% of all Units outstanding stating sufficiently for compliance with Section 12.2 the purpose for which the meeting is to be held. If the General Partner fails to call a meeting of Partners within 30 days after receipt of such written request, any Limited Partner may call such meeting in accordance with the terms hereof.

12.2 Notice.

Notice of any Partners' meeting will be given to each Limited Partner and to the General Partner. The notice will be mailed at least 21 and not more than 60 days prior to the meeting and must specify the time and place of the meeting and in reasonable detail, the nature of all business to be transacted. Notice of adjourned meetings will be given not less than 10 days in advance and otherwise in accordance with the provisions for notice contained in this Article 12, except that the nature of the business to be transacted need not be specified.

12.3 Place of Meetings.

All Partners' meetings will be held in the City of Toronto, Ontario or in such other municipality in Ontario as the General Partner may designate.

12.4 Record Dates.

For the purpose of determining those Limited Partners who are entitled to vote or act at any meeting or any adjournment of any meeting, or for the purpose of any other action, the General Partner or Limited Partner shall fix a date not less than 21 or more than 60 days prior to the date of any meeting of Limited Partners or such other action, as a record date for the determination of those Limited Partners entitled to vote at such meeting or any adjournment of any meeting, or to be treated as Limited Partners of Record for purposes of any other such action. The persons so determined shall be the persons deemed to have such entitlements, except to the extent that a Limited Partner has transferred any of his or her Units after such record date and the transferee of the Units (a) produces properly endorsed Certificates or otherwise establishes to the satisfaction of the General Partner that he or she is the owner of the Units in question, and (b) requests, not later than 10 days before the meeting, or such shorter period before the meeting as the General Partner may deem to be acceptable, that the transferee's name be included in the list of Limited Partners as at such record date, in which case the transferee shall be treated as a Limited Partner of Record for purposes of such entitlements in place of the transferor.

12.5 Chair.

The chair of all meetings will be chosen by the General Partner unless those Limited Partners present in person or represented by proxy at the meeting choose, by Ordinary Resolution, some other person present to be chair.

12.6 Quorum.

(a) Two or more Limited Partners present in person or by proxy and representing not less than 5% of the Units then outstanding will constitute a quorum at a meeting of the Partners except a meeting called to consider a Special Resolution at which two or more Limited Partners present in person or by proxy and representing not less than 10% of the Units then outstanding will constitute a quorum.

(b) If a quorum is not present for a meeting of Partners within 30 minutes after the time fixed for holding the meeting, the meeting, if convened pursuant to a written request, will be cancelled, but otherwise will be adjourned to such date not less than 10 and not more than 21 days after the original date for the meeting as is determined by the chair and notice will be given to Limited Partners of such adjourned meeting, and the Partners present in person or by proxy at such adjourned meeting will constitute a quorum for the transaction of any business that might have been dealt with at the original meeting in accordance with the notice calling same.

12.7 Voting Rights.

(a) At all meetings of Partners, each Limited Partner will be entitled to one vote for each Unit held by it and, where a Unit is held by joint holders, these holders shall be entitled to only one vote per Unit. The General Partner will be entitled to one vote in its capacity as General Partner. The chair will not have a casting vote. Every question submitted to a meeting will be decided by a show of hands unless a poll is demanded by a Limited Partner or the chair before the question is put or after the results of the show of hands have been announced and before the meeting proceeds to the next item of business, in which case a poll will be taken. At any meeting of the Partners, on a matter voted upon:

(i) for which no poll is requested, a declaration made by the chair of the meeting as to the voting on any particular resolution will be conclusive evidence thereof; or

(ii) for which a poll is requested, the result of the poll will be deemed to be the decision of the meeting on the question or resolution in respect of which the poll was taken.

(b) At any meeting of Partners, any Limited Partner may vote by proxy in a form acceptable to the General Partner, provided the proxy has been received by the General Partner prior to the meeting. Any individual who is 18 years of age or older may be appointed as proxy. No instrument of proxy will be considered valid if dated more than one year before the date of the meeting. A proxy given on behalf of joint holders must be executed by all of them and may only be revoked by all of them. The chair will determine the validity of any challenged instrument of proxy.

(c) A proxy will be valid notwithstanding the subsequent death, incapacity, insolvency, bankruptcy or dissolution of the Limited Partner giving the proxy or the revocation of the proxy, provided that no written notice of such death, incapacity, insolvency, bankruptcy, dissolution or revocation has been received by the General Partner at the place of meeting prior to the time fixed for the holding of the meeting. A Partner that is a corporation may appoint an officer, director or other authorized individual who is 18 years of age or older as its representative to attend, vote and act on its behalf at meetings of Partners, and may by a like instrument revoke any such appointment, and for all purposes of meetings of Partners, other than the giving of notice, an individual so appointed will be deemed to be the holder of every Unit held by the corporation he or she represents.

(d) Notwithstanding the foregoing, neither the General Partner nor any of its Affiliates may vote or have its Units voted in respect of any matter in which the General Partner or any of its Affiliates has a material interest.

12.8 Special Resolutions.

(a) In addition to all other powers conferred on them by this Agreement, the Limited Partners may only by Special Resolution:

(i) remove the General Partner and appoint a successor, as provided in Section 15.1;

(ii) approve the transfer of the interest of the General Partner in the Partnership as required in Section 15.2;

(iii) waive any default on the part of the General Partner on such terms as they may determine and release the General Partner from any claims in respect thereof;

(iv) approve the dissolution of the Partnership as required in Section 9.1(a);

(v) authorize the sale, lease, transfer or other disposition of all or substantially all of the assets of the Partnership;

(vi) authorize the actions described in Section 6.2(f);

(vii) amend this Agreement as required in Article 13 hereof;

(viii) approve amendments to the investment criteria and restrictions set out in Section 2.5;

(ix) approve any transaction proposed to be made outside the normal course of Business; and

(x) amend or rescind any previous Special Resolution.

(b) The General Partner in respect of any Units which may be held by it from time to time, insiders of the Partnership (as such expression is defined in the *Securities Act* (Ontario), Affiliates of the General Partner and any director or officer of such persons, who hold Units shall not be entitled to vote on any Special Resolution.

12.9 Minutes of Meetings.

Minutes and proceedings of every meeting of the Partners will be recorded by the General Partner. Minutes, when signed by the chair of the meeting, will be prima facie evidence of the matters therein stated. Until the contrary is proved, every meeting in respect of which minutes have been made will be taken to have been duly held and convened and all proceedings referred to in the minutes will be deemed to have been duly passed.

12.10 Effect of Resolutions.

Any Special Resolution or Ordinary Resolution will be binding on all Partners, whether or not such Partner was present or represented by proxy at the meeting at which such resolution was passed and whether or not such Partner voted in favour of such resolution.

12.11 Non-Prescribed Rules.

To the extent that the rules and procedures for the holding and conduct of a meeting of the Partners are not prescribed in this Agreement, such rules and procedures may be determined by the chair of the meeting. To the extent practicable, the procedures

applicable to meetings of corporations that offer their securities to the public within the meaning of the *Business Corporations Act* (Ontario) shall apply to meetings of Partners, provided however the Partnership shall not be required to hold annual meetings and the General Partner may seek all such regulatory relief as may be required in any province so that the Partnership is not required to hold such meetings.

ARTICLE 13
AMENDMENT

13.1 Requirements for Amendments.

(a) Subject to Section 13.2, this Agreement may be amended only in writing and with the consent of the Limited Partners given by Special Resolution, but any amendment pursuant to this Article 13 may be made only with the unanimous consent of the Partners.

(b) Notwithstanding section 13.1(a), no amendment may be made that would have the effect of reducing the General Partner's share of the Income or assets of the Partnership or the fees payable to the General Partner (unless the General Partner, in its sole discretion, consents thereto), reducing the interest in the Partnership of the Limited Partners (unless all of the Limited Partners consent thereto), changing in any manner the allocation of Income or Loss for tax purposes, changing the liability of any Limited Partner, allowing any Limited Partner to exercise control over or management of the Business, 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.

(c) No amendment to this Agreement that would have the effect of adversely affecting the rights and obligations of the General Partner will become effective before 60 days after the date of the meeting at which such amendment was adopted, unless the General Partner consents to an earlier date.

13.2 Amendments Benefiting Limited Partners.

The General Partner may, without prior notice to or consent from any Limited Partner, amend from time to time any provision of this Agreement, if such amendment is to add any provision that is, in the opinion of counsel to the General Partner, necessary for the protection or benefit of the Limited Partners or to cure any ambiguity or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision contained herein, and the amendment does not, in the opinion of counsel to the General Partner, adversely affect the rights of the Limited Partners.

13.3 Notice of Amendment.

Limited Partners will be notified of the full details of any amendment to this Agreement within 30 days after the effective date of the amendment.

ARTICLE 14
NOTICES

14.1 Notices.

(a) Any demand, notice or other communication which must be given or sent under this Agreement will be given in writing and will be given by personal delivery, by prepaid mail or by facsimile or other means of electronic communication addressed to the General Partner and the Limited Partners as follows:

in the case of the General Partner, at:

25 Adelaide St.. East
Suite 1616
Toronto, Ontario
M5C 3A1

Attention: The President

and in the case of the Limited Partners, at their respective addresses recorded in the register maintained by the Registrar and Transfer Agent.

(b) A Limited Partner may at any time change its address for the purposes of service by giving written notice thereof to the Registrar and Transfer Agent. The General Partner may change its address for the purposes of service by giving written notice thereof to the Registrar and Transfer Agent and to all the Limited Partners.

(c) Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by prepaid mail, on the fifth day following the deposit thereof in the mail, and, if given by facsimile or other electronic means of communication on the day of transmittal thereof, if given during the normal business hours of the recipient, and on the next day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by facsimile or other electronic means of communication or, in the case of communication to the Limited Partners, by publication once in the national edition of The Globe and Mail or, if such publication is impracticable, by publication once in any newspaper published in the English language having general circulation in the City of Toronto, Ontario.

(d) An accidental omission in the giving of, or failure to give, a notice required by this Section 14.1 will not invalidate or affect in any way the legality of any meeting or other proceeding in respect of which such notice was or was intended to be given.

ARTICLE 15
CHANGE OF GENERAL PARTNER

15.1 Removal or Resignation of General Partner.

The General Partner will continue as general partner of the Partnership until termination of the Partnership unless the General Partner is removed or resigns in accordance with this Agreement.

15.2 Resignation.

(a) The General Partner may resign as such after approval by Ordinary Resolution and on not less than 180 days written notice to all Limited Partners, such resignation to be effective upon the earlier of:

(i) 180 days after notice is given if within such 180 days a meeting has been called to appoint a new General Partner; and

(ii) the admission of a new General Partner to the Partnership by Ordinary Resolution.

(b) Upon the dissolution, liquidation, bankruptcy, insolvency or winding-up or the making of any assignment for the benefit of creditors of the General Partner or the appointment of a trustee, receiver, receiver and manager or liquidator, or following any event permitting a trustee or receiver or receiver and manager to administer the affairs of the General Partner, provided that the trustee, receiver, receiver and manager or liquidator performs its functions for 60 consecutive days, a new General Partner shall be appointed by the Limited Partners by Ordinary Resolution within 180 days' notice of such event and the General Partner shall be deemed to have resigned as such, provided that the General Partner shall not cease to be the general partner of the Partnership until the earlier of the appointment of a new General Partner or the expiry of the 180 day period.

15.3 Removal.

The General Partner may be removed and a successor appointed as general partner at any time if the General Partner commits fraud, or willful misconduct in the performance of, or willful disregard or breach of, the obligations or duties of the General Partner under this Agreement and the removal of the General Partner has been approved by the Limited Partners by Ordinary Resolution. In addition and without limiting the foregoing, the Limited Partners may also remove the General Partner and appoint a successor by Special Resolution at any time after May 1, 2020, if the Partnership has not been liquidated prior thereto, provided such removal has been authorized by Special Resolution.

15.4 Amounts to be Paid.

As a condition precedent to the resignation or removal of the General Partner, the Partnership shall pay all amounts payable by the Partnership to the General Partner pursuant to this Agreement accrued to the date of resignation or removal.

15.5 Successor General Partner.

Any successor general partner must be a resident of Canada for income tax purposes and shall assume all managerial duties, powers and obligations imposed upon or granted to the General Partner, including any services provided to the General Partner by the Investment Manager or its successor, must agree in writing to be bound by the provisions of this Agreement and in such writing must repeat the representations, warranties and covenants set out in Section 10.1. The General Partner that has been removed or resigned will do all things and take all steps necessary to effectively transfer the administration, management, control and operation of the business of the Partnership to the new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion.

15.6 Assignment of Interest of General Partner.

Except as provided for in this Article 15, the interest of the General Partner, as such, in the Partnership may only be transferred with the consent of the Limited Partners granted by a Special Resolution, except in the case of the transfer to a person or an entity controlling directly or indirectly more than 50% of the equity shares of the General Partner provided that the transferee assumes all of the obligations of the General Partner with respect to the Partnership, in which case the consent of the Limited Partners granted by an Ordinary Resolution is required. Notwithstanding the foregoing, the General Partner shall remain liable for the obligations of the General Partner hereunder unless the Limited Partners consent to a release of the General Partner from such obligations.

15.7 Release.

In the event of the removal or resignation of the General Partner, the Partnership and the Limited Partners will release and hold harmless the former General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events that occur in relation to the Partnership after the effective date of removal or resignation of the former General Partner, except to the

extent that any such action, claim, cost, demand, loss, damage or expense arose out of any fault of the former General Partner prior to such effective date.

15.8 Non-Termination of Partnership.

The Partnership will not be terminated by reason of the removal, replacement or withdrawal of the General Partner provided a new general partner is appointed.

ARTICLE 16
POWER OF ATTORNEY

16.1 Creation of Power of Attorney.

Each Limited Partner, and each person who is a transferee of a Unit and assignee of the interest as Limited Partner of the holder of a Unit, hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as his or her true and lawful attorney and agent, with full power and authority in his or her name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, any and all of the following:

(a) this Agreement and counterparts hereof, and all documents and instruments necessary or appropriate to form, quality or continue the qualification of the Partnership as a valid and subsisting limited partnership in any jurisdiction where the Partnership may carry on business or own or lease property in order to establish or maintain the limited liability of the Limited Partners and to comply with the applicable laws of any such jurisdiction;

(b) all documents, instruments and certificates necessary to reflect any amendments to this Agreement which are approved pursuant to Article 13 hereof;

(c) all conveyances, agreements, documents and other instruments necessary to facilitate and implement the Mutual Fund Rollover Transaction;

(d) all conveyances, agreements, documents and other instruments necessary to facilitate and implement the dissolution and termination of the Partnership, if such dissolution and termination of the Partnership is authorized pursuant hereto, including the cancellation of any Certificate and the distribution of the assets of the Partnership;

(e) all instruments, deeds, agreements or documents executed by the General Partner in carrying on the Business of the Partnership as authorized in this Agreement, including those necessary to purchase, sell, finance or hold the Partnership's assets;

(f) all applications, elections, determinations or designations under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Partnership or of a Partner's interest in the Partnership including all applications, elections, determinations or designations under the Tax Act or other legislation or similar laws of Canada or of any other jurisdiction with respect to any other governmental credit, grant or benefit, the sale or transfer of any of the assets of the Partnership, the distribution of the assets of the Partnership, or the dissolution and termination of the Partnership;

(g) any instrument or document which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Partner;

(h) any instrument or document required or appropriate to be filed with any governmental body or respecting the business, property and assets of the Partnership or this Agreement;

(i) any instrument required in connection with the dissolution of the Partnership; and with respect to the disposition of a Limited Partner's Units, if such Limited Partner becomes a nonresident of Canada for purposes of the Tax Act; and

(j) provided that, except as otherwise provided herein, the foregoing grant of authority shall not include the authority to transfer the interest of the Limited Partner in his or her Units or to execute any proxy on behalf of any Limited Partner or to vote in respect of any Ordinary Resolution or any Special Resolution. By purchasing Units, each Limited Partner acknowledges and agrees that he or she has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.

16.2 Irrevocability.

(a) The grant of authority contained in Section 16.1 and the powers of attorney that form part of Schedule "A" to this Agreement to the extent applicable (collectively, the "Power of Attorney") are given for valuable consideration and are coupled with an interest, are irrevocable and will survive the bankruptcy of a Limited Partner or the transfer or assignment by the Limited Partner of all or part of his or her interest in the Partnership and binds the heirs, executors, administrators, and other legal representatives and successors and assigns of each Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument or document by listing all the Limited Partners thereon and executing such instrument or document with a single signature as attorney and agent for all of them.

(b) Each Limited Partner agrees to be bound by any representations and actions made or taken by the General Partner pursuant to the Power of Attorney permitted by this Agreement and hereby waives any and all defenses which may be available to contest, negate or disaffirm any such action of the General Partner taken in good faith under the Power of Attorney.

(c) The Power of Attorney shall continue on as long as the attorney and agent is the general partner of the Partnership, and shall terminate thereafter with respect to that attorney or agent upon substitution therefore of a substitute general partner but shall continue in respect of the substitute general partner.

16.3 Authority of General Partner to Require a Replacement Power of Attorney.

Each Limited Partner that has executed a Power of Attorney that is not satisfactory to the General Partner in its sole and absolute discretion will, if requested by the General Partner, execute a Power of Attorney and deliver to the General Partner a Power of Attorney in form and content satisfactory to the General Partner. Any such request by the General Partner will provide the Limited Partner with a reasonable time within which to execute and return the Power of Attorney being requested. The Partners each acknowledge and agree that it is reasonable to require that such Power of Attorney be executed and returned to the General Partner within 10 business days of delivery of the request. The General Partner will have absolute and irrevocable authority to carry out such acts and execute all documents and agreements that it considers necessary or desirable to properly and fully implement such remedies.

16.4 Agreement of Limited Partners to Ratify Acts.

The Limited Partners each acknowledge and agree that they will at any time, including after the dissolution or termination of the Partnership, provide the General Partner with such ratification of any acts done by the General Partner pursuant to the Power of Attorney or pursuant to its authority as General Partner under this Agreement, that may be requested or required by the General Partner in its sole and absolute discretion. Such ratification will be in form and content satisfactory to the General Partner.

16.5 Compliance with Laws.

Each Limited Partner will, on request by the General Partner, immediately execute every certificate or other instrument necessary to comply with any law or regulation of any jurisdiction in Canada for the continuation and good standing of the Partnership.

ARTICLE 17
MISCELLANEOUS

17.1 Benefit and Binding.

This Agreement shall enure to the benefit of and be binding upon the respective heirs, legal personal representatives, administrators, successors and permitted assigns of the parties hereto.

17.2 Assignment.

This Agreement is not assignable in whole or in part without the consent of the other parties hereto.

17.3 Severability.

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and all other provisions hereof shall continue in full force and effect.

17.4 Further Assurances.

The parties hereto shall from time to time execute and deliver all such further documents and do all acts and things as the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

17.5 Correction of Default by General Partner.

With the exception of the requirements of Section 12.1, any curable default of the General Partner resulting from an omission to take any measure within a prescribed time period and having no material adverse effect on the Limited Partners or the Partnership will be deemed to have been corrected if the measure is taken within 45 days following a notice by a Limited Partner requesting the General Partner to remedy the default.

17.6 Strict Performance.

No failure or lack of diligence by any party in proclaiming or seeking redress for any violation of, or insisting on strict performance of, any provision of this Agreement will prevent a subsequent act, which would have originally constituted a violation of such provision or any other provisions hereof, from having the effect of an original violation of such provision or any other provision hereof.

17.7 Execution in Counterparts and by Facsimile.

This Agreement may be executed by multiple counterparts, each of which will be deemed to be an original and all of which shall be construed together as one agreement, and facsimile signatures shall be effective as original signatures.

17.8 Limited Partner Not a General Partner.

If any provision of this Agreement has the effect of imposing upon any Limited Partner any of the liabilities or obligations of a general partner under the Limited Partnerships Act, such provision shall be deemed to be of no force and effect and severed from the remainder of this Agreement.

17.9 Attornment.

For the purposes of all legal proceedings, this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The General Partner and each of the Limited Partners hereby attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF the original parties have executed this Agreement as of the date first above written.

PRF (GP) Management (No. 3) Limited

_____
Witness

Per: (Signed) "Daniel C. Pembleton"
Authorized Signatory

ACCILENT RAW MATERIALS GROUP INC.

_____
Witness

Per: (Signed) Daniel C. Pembleton
Authorized Signatory

For more information on the exempt market, call your local securities regulatory authority.

Alberta Securities Commission
4th Floor, 300 - 5th Avenue SW
Calgary, Alberta T2P 3C4
(403) 297-6454
www.albertasecurities.com

British Columbia Securities Commission
P.O. Box 10 142, Pacific Centre
70 I West Georgia Street
Vancouver, British Columbia V7Y IL2
(604) 899-6654
www.bcse.bc.ca

The Manitoba Securities Commission
130 - 405 Broadway Avenue
Winnipeg, Manitoba R3C 3L6
(204) 945-2548
www.mse.gov.mb.ca

Registrar of Securities
Department of Justice/Government of the Northwest Territories
1st Floor Stuart M. Hodgson Building, 5009 – 49th Street
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
(867) 920-3318
www.justice.gov.nt.ca

The Ontario Securities Commission
Suite 1903, 20 Queen St. W.
Toronto, ON M5H 3S8
(416) 593-8314
www.osc.gov.on.ca

Saskatchewan Financial Services Commission
6th Floor, 919 Saskatchewan Drive
Regina, Saskatchewan S4P 3V7
(306) 787-5879
www.sfsc.gov.sk.ca

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, NS B3J 3J9
(902) 424-7768
www.gov.ns.ca/nssc/

New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, NB E2L 2J2
(506) 658-3060
www.nbsc-cvmnb.ca/nbsc/

Canadian Securities Administrators
CSA SECRETARIAT
Tour de la Bourse
800, Square Victoria
Suite 2510
Montreal, QC H4Z 1J2
(514) 864-9510
www.securities-administrators.ca

Private Capital Market Association (Exempt Market Dealers)
Suite 5700, 1 First Canadian Place
100 King Street West, Toronto, ON
M5X 1C7
(877) 363-3632
www.pcmacanada.com

SCHEDULE "A"

PAVILION FLOW-THROUGH L.P. (2016) 1
SUBSCRIPTION AGREEMENT

(For purchasers' resident in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick and Northwest Territories.)

TO: PAVILION FLOW-THROUGH L.P. (2016) 1
AND TO: PRF (GP) MANAGEMENT (NO. 3) LIMITED

Subject to the terms and conditions contained in the Confidential Offering Memorandum dated June 30, 2016 (the "Offering Memorandum") a copy of which has been provided to the undersigned, and in this subscription agreement (the "Subscription Agreement"), including the terms and conditions set forth in Appendix "A" hereto, the undersigned (the "Subscriber") hereby irrevocably subscribes for and on Closing will purchase from PAVILION FLOW-THROUGH L.P. (2016) 1 (the "Partnership") that number of limited partnership units (the "Units") of the Partnership set forth below at the purchase price of $10.00 per Unit for the aggregate subscription price (the "Subscription Price") set out below. The Subscriber must subscribe for a minimum of 1000 Units, and in multiples of 100 Units ($1,000) for larger subscriptions. The Subscription Price may be paid by cheque or bank draft made payable to Pavilion Flow-Through L.P. (2016) 1

SUBSCRIPTION AND SUBSCRIBER INFORMATION

***Please print all information** (other than signatures), as applicable, in the space provided below.*
This form continues on the following page.

SUBSCRIBER INFORMATION:		**SUBSCRIPTION DETAILS:**
Name of Subscriber:		**Number of Units:**_____ x $10.00 = _____
Account Reference*(if applicable):*		**Aggregate Subscription Price:** $ _____ *(the "Subscription Price")*
By: _____ *Authorized Signature*		***If the Subscriber is signing as agent for a principal (beneficial purchaser) and is not purchasing as trustee or agent for accounts fully managed by it, complete the following:***
Official Capacity or Title*(if the Subscriber is not an individual)*		**Name of Principal:**
Name of individual whose signature appears above: *(if different than the name of the subscriber printed above.)*		**Principal's Address, including Municipality, Province/State and Postal Code/ZIP:**
Social Insurance Number/BIN:		
Subscriber's Address, including Municipality, Province/State: and Postal Code/ZIP:		**Telephone Number:**
Telephone Number:		**Email Address:**
Email Address:		

ACCOUNT REGISTRATION INFORMATION:	DELIVERY INSTRUCTIONS AS SET FORTH BELOW:
Name:	**Name:**
Account Reference *(if applicable):*	**Account Reference *(if applicable):***
Address, including Postal Code/Zip Code:	**Address, including Postal Code/Zip Code:**
	Contact Name:
	Telephone Number:

DEALER INFORMATION:
Individual Advisor Name:
Dealer Company Name:
Dealer Rep Number (if applicable):
Individual Advisor Phone Number:
Individual Advisor e-Mail Address:

The General Partner, on behalf of the Partnership, hereby accepts the subscription for Units as set forth on the face page of this Subscription Agreement on the terms and conditions contained in the Subscription Agreement (including all applicable appendices) this _____ day of _____, 2016.

PAVILION FLOW-THROUGH L.P. (2016) 1
By its General Partner; PRF (GP) Management (No. 3) Limited

Per:_____
Authorized Signing Officer

Please see the Confidential Offering Memorandum of the Partnership dated June 30, 2016 (the "Offering Memorandum") for the terms of the Units. The Units subscribed for hereunder are hereinafter collectively referred to as the “Purchased Securities”. All dollar amounts referred to in this Subscription Agreement are in Canadian dollars.

A SUBSCRIBER MAY CANCEL THE AGREEMENT TO PURCHASE UNITS BY DELIVERING A NOTICE TO THE GENERAL PARTNER NOT LATER THAN MIDNIGHT ON THE SECOND BUSINESS DAY AFTER THE SUBSCRIBER SIGNS THE AGREEMENT TO PURCHASE THE UNITS.

TERMS NOT EXPRESSLY DEFINED HEREIN HAVE THE MEANING ASCRIBED THERETO IN THE OFFERING MEMORANDUM UNLESS THE CONTEXT REQUIRES OTHERWISE.

THE FEDERAL IDENTIFICATION NUMBER FOR THIS TAX SHELTER IS TS084996. THE FEDERAL IDENTIFICATION NUMBER ISSUED FOR THIS TAX SHELTER SHALL BE INCLUDED IN ANY INCOME TAX RETURN FILED BY THE SUBSCRIBER. ISSUANCE OF THE IDENTIFICATION NUMBER IS FOR ADMINISTRATIVE PURPOSES ONLY AND DOES NOT IN ANY WAY CONFIRM THE ENTITLEMENT OF A SUBSCRIBER TO CLAIM ANY TAX BENEFITS ASSOCIATED WITH THE TAX SHELTER.

Instructions for completion:

1. **FOR ALL SUBSCRIBERS** - Please complete page 1 and 2 of this Subscription Agreement.
2. If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount does not exceed $10,000, complete and initial:
    a. the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and
    b. the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and
    c. the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**.
3. If you are a resident in any jurisdiction in Canada, **other than Ontario**, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount is greater than $10,000, complete and initial:
    a. the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and
    b. the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and
    c. the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**; and
    d. the Representation Letter form of **Appendix "B"** and **Appendix "C"**, if applicable; and
    e. the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**, if applicable.
4. If you are **a resident of the Province of Ontario** and are subscribing under the "accredited investor" exemption, complete and sign:
    a. the Accredited Investor Certificate - **Appendix "D"**; and
    b. the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**.
5. If you are **not an Individual and are subscribing for an amount of $150,000 or greater**, please initial the applicable reference in the Accredited Investor and Minimum Investment Certificate - **Appendix "D"** of this Subscription Agreement.
6. **FOR ALL SUBSCRIBERS** – Please complete the Consent to Electronic Delivery of Documents attached to the Subscription Agreement as **Appendix "E"**.

APPENDIX "A"

TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF PAVILION FLOW-THROUGH L.P. (2016) 1

1. The Subscriber acknowledges that this subscription for Units is subject to acceptance by the General Partner on behalf of the Partnership and to certain other conditions set forth in the Offering Memorandum and the Partnership Agreement, as from time to time amended. The General Partner reserves the right to accept or reject any subscriptions in whole or in part. The obligations of the Subscriber hereunder will terminate if this subscription is rejected in its entirety by the General Partner on behalf of the Partnership. The Subscriber agrees that this subscription is given for valuable consideration and shall not be withdrawn or revoked by the Subscriber except in the manner described under the caption "Subscriber's Right of Action for Rescission or Damages" in the Offering Memorandum. The subscription funds are refundable only in the circumstances described in the Offering Memorandum.

2. The General Partner hereby represents and warrants to and covenants with the Subscriber on its own behalf and on behalf of the Partnership as follows:

   (a) the General Partner is a company duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;

   (b) the Partnership is a Limited Partnership duly formed and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full power to own its properties and carry on its business as now being conducted;

   (c) each of the General Partner and the Partnership has full power and authority to enter into this Subscription Agreement and perform its obligations hereunder and do all other acts which may be necessary to consummate the transactions contemplated hereby;

   (d) the Units to be issued to the Subscriber in accordance with the provisions hereof will, upon receipt by the Partnership of the Subscription Price and upon their due allotment and issuance, be validly issued and outstanding Units of the Partnership;

   (e) this Subscription Agreement has been duly executed and delivered by the General Partner and the Partnership and is a valid agreement enforceable in accordance with its terms and the entering into of this Subscription Agreement and the completion of the transactions contemplated hereby does not and will not result in a violation of any other terms and provisions of any indenture or agreement, written or oral, to which the General Partner or the Partnership may be a party or the General Partner's constating documents, by-laws or any resolutions of its shareholders or directors;

   (f) each of the General Partner and the Partnership is licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the nature of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all applicable laws, rules and regulations of each such jurisdiction;

   (g) the Partnership is authorized to issue, among other things, 2,000,000 Units, of which, as of June 30, 2016, one (1) Unit was issued and outstanding as fully paid and non-assessable;

   (h) no Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued Units or other securities of the Partnership;

   (i) all necessary action has been taken to authorize the issue and sale of, and the delivery of certificates representing, the Purchased Securities and, upon payment of the requisite consideration therefore, the Purchased Securities will be validly issued as fully paid and non-assessable Units;

   (j) each of the General Partner and the Partnership has conducted and is conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on, or contemplated to be carried on, by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and the Partnership has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would

materially adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) or prospects of, the Partnership;

(k) the issuance and sale of the Purchased Securities is made in reliance upon registration and prospectus exemptions contained in the *Securities Act* (Ontario), the *Securities Act* (Manitoba), the *Securities Act* (Saskatchewan), the *Securities Act* (Alberta), the *Securities Act* (British Columbia),the *Securities Act* (Nova Scotia), the *Securities Act* (New Brunswick) and the *Securities Act* (Northwest Territories) (collectively, the "Applicable Securities Laws");

(l) the Purchased Securities will be subject to an indefinite hold period and the Subscriber may not be able to resell the Purchased Securities, except in accordance with limited exemptions under the Applicable Securities Laws until expiry of the applicable hold period and compliance with the requirements of the Applicable Securities Laws and National Instrument 45-102 - *Resale of Securities* ("NI 45-102"). The Purchased Securities will bear the legend required by NI45-102; and

(m) the Partnership has prepared and delivered the Offering Memorandum.

3. The Subscriber hereby represents and warrants to and covenants with the General Partner and the Partnership as follows:

(a) the subscription hereunder is being made by the Subscriber as principal for the Subscriber's own account and not for the benefit of any person;

(b) if an individual, the Subscriber has attained the age of majority and has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto;

(c) if a corporation or body corporate, partnership, syndicate or other form of unincorporated organization, the Subscriber has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto and all necessary approvals by directors, shareholders and members of the Subscriber, if applicable, or otherwise have been given to authorize it to enter into and execute this Subscription Agreement and to take all actions required pursuant hereto;

(d) this Subscription Agreement has been duly executed and delivered by the Subscriber and is a legal, valid and binding agreement enforceable in accordance with its terms and the entering into of this Subscription Agreement and the completion of the transactions contemplated hereby does not and will not result in a violation of any other terms and provisions of any indenture or other agreement, written or oral, to which the Subscriber may be a party and, if the Subscriber is not an individual, the Subscriber's constating documents, by-laws or any resolution of its members, shareholders or directors;

(e) the Purchased Securities are being acquired as part of the offer of a maximum of 2,000,000 Units (the " Maximum Offering");

(f) the Subscriber, or any other beneficial owner of the Purchased Securities registered in his or her name, is not a "non-resident" of Canada for the purposes of the *Income Tax Act* (Canada) (the "Tax Act");

(g) the Subscriber is not a "non-Canadian" as that term is defined in the *Investment Canada Act;*

(h) no interest in the Subscriber is a "tax shelter investment" as that term is defined in the Tax Act;

(i) the Subscriber has not financed his or her acquisition of Purchased Securities with a financing for which recourse is or is deemed to be limited (as described in the Offering Memorandum) within the meaning of the Tax Act;

(j) the Subscriber is not a Resource Issuer which has entered into, or to the best of the Subscriber's knowledge proposes to enter into, a Flow-Through Investment Agreement with the Partnership nor does the Subscriber not deal at arm's length with any such Resource Issuer;

(k) the Subscriber is not a financial institution as defined in section 142.2 of the Tax Act;

(l) the Subscriber recognizes that an investment in the Purchased Securities involves a high degree of risk, and the Subscriber is able to bear the economic risk of the investment in the Purchased Securities, including the risk of total loss of the investment;

(m) the Subscriber has knowledge and experience with respect to investments similar to the purchased Securities, or is otherwise an experienced investor in general, enabling it to evaluate the merits and risks thereof and the capacity to obtain competent independent business, legal and tax advice regarding this investment;

(n) the Subscriber has been advised to consult its own legal advisers in connection with the applicable statutory hold periods and resale restrictions relating to the Purchased Securities and no representation has been made respecting applicable statutory hold periods or resale restrictions relating to such securities;

(o) the Subscriber has received, read and fully understands the Offering Memorandum and has had the opportunity to ask and have answered any and all questions which the Subscriber wished with respect to the business and affairs of the Partnership, the Purchased Securities and the subscription made hereby;

(p) the Subscriber acknowledges that:

(i) Accilent Capital Management Inc. ("Accilent"), the agent of the Partnership in respect of the offering of Units, is also acting in the capacity of Investment Manager and the Investment Fund Manager to the Partnership,

(ii) Accilent is controlled by the same individuals who control the General Partner and consequently, Accilent may be considered to be a "connected issuer", a "related issuer" and a "promoter" of the Partnership under applicable Securities Laws and;

(iii) Accilent will receive certain fees as agent for distributing the Units, and a certain portion of the Management Fee for acting as the Investment Manager and the Investment Fund Manager;

All as more fully described in the Offering Memorandum;

(q) the Subscriber has not received, requested or been provided with, nor has any need to receive a prospectus, or similar disclosure document relating to the offer, issuance or sale of the Purchased Securities and/or the business and affairs of the Partnership other than the Offering Memorandum and that the decision to enter into this Subscription Agreement and purchase the Purchased Securities has not been based upon any verbal or written representation as to fact or otherwise made by on behalf of the General Partner, the Partnership or any office, director, employee or agent of the General Partner or the Partnership, and that such decision is based entirely upon the information set out in the Offering Memorandum and this Subscription Agreement;

(r) neither the Partnership or General Partner, nor any director, officer, employee or agent thereof, has made any representation about the present or future value of the Purchased Securities, and the only representations upon which the Subscriber may rely are those contained in the Offering Memorandum and the Partnership Agreement;

(s) no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Purchased Securities;

(t) no prospectus has been filed by the Partnership with a securities commission or other securities regulatory authority in any province of Canada or any other jurisdiction in connection with the issuances of the Purchased Securities and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of the applicable securities laws and, as a result, in connection with the purchase of the Purchased Securities hereunder:

(i) the Subscriber is restricted from using most of the civil remedies available under securities laws;

(ii) the Subscriber will not receive information that would otherwise be required to be provided to the Subscriber under applicable securities laws or contained in a prospectus prepared in accordance with applicable securities laws; and

(iii) the Partnership is relieved from certain obligations that would otherwise apply under such Applicable Securities Laws;

(u) the Subscriber acknowledges that the Purchased Securities will be subject to an indefinite hold period and may not be resold except in compliance with exemptions under applicable securities laws and within the terms of the Partnership Agreement, and compliance with the requirements of applicable securities laws and National Instrument 45-102 – *Resale of Securities;*

(v) the Subscriber acknowledges that upon the issuance of the Purchased Securities, the certificates representing such securities (and any replacement certificate issued prior to the expiry of the applicable hold period) will bear the following legend in accordance with Applicable Securities Laws:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF: (i) _____; AND (ii) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY"; and

(w) the Subscriber acknowledges that no person has made any written or oral representation to the Subscriber:

(i) that any person will resell or repurchase the Purchased Securities;

(ii) that any person will refund the purchase price of the Purchased Securities other than as may be provided in this Subscription Agreement;

(iii) relating to the future or value of the Purchased Securities;

(iv) that the Partnership will become a reporting issuer in any province or territory or that the Purchased Securities will be listed and posted for trading on a stock exchange.

The Subscriber covenants and agrees to promptly provide evidence of the foregoing representations and warranties at any time or times as the General Partner reasonably requires.

4. The representations, warranties and covenants contained herein are made by the Subscriber with the intent that they be relied upon in determining the Subscriber's suitability as a purchaser of Units of the Partnership and the Subscriber hereby agrees to indemnify the General Partner and the Partnership against all losses, claims, costs, expenses and damages or liabilities which it may suffer or incur caused or arising from the General Partner's and the Partnership's reliance thereon.

5. The representations and warranties contained in Section 3 above shall survive the execution of this Subscription Agreement and of the Partnership Agreement and each party to this Subscription Agreement is obliged to ensure the continuing accuracy of each representation and warranty made by it throughout the term of the Partnership.

6. In consideration of the General Partner accepting this Subscription Agreement and conditional thereon the Subscriber hereby grants the General Partner a power of attorney (the "Power of Attorney") and hereby:

   (a) agrees to be bound as a limited partner to the Partnership Agreement, a copy of which is appended to the Offering Memorandum;

   (b) expressly ratifies and confirms the power of attorney given to the General Partner in the Partnership Agreement and irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as the agent and true and lawful attorney of the Subscriber both before and after dissolution of the Partnership to act on behalf of the Subscriber, with full power and authority in the Subscriber's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, record, and file, when, as and where required:

      (i) the Partnership Agreement and counterparts thereof, and all documents and instruments necessary or appropriate to form, qualify or continue the qualification of the Partnership as a valid and subsisting limited partnership in any jurisdiction where the Partnership may carry on business or own or lease property in order to establish or maintain the limited liability of the Limited Partners and to comply with the applicable laws of any such jurisdiction;

      (ii) all documents, instruments and certificates necessary to reflect any amendments to the Partnership Agreement which are approved pursuant to Article 13 thereof;

      (iii) all conveyances, agreements, documents and other instruments necessary to facilitate and implement the Liquidity Transaction;

      (iv) all conveyances, agreements, documents and other instruments necessary to facilitate and implement the dissolution and termination of the Partnership, if such dissolution and termination of the Partnership is authorized pursuant to the Partnership Agreement, including the cancellation of any Certificate and the distribution of the assets of the Partnership;

      (v) all instruments, deeds, agreements or documents executed by the General Partner in carrying on the business of the Partnership as authorized in the Partnership Agreement, including those necessary to purchase, sell, or hold the Partnership's assets;

      (vi) all applications, elections, determinations or designations under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Partnership or of a Partner's interest in the Partnership including all applications, elections, determinations or designations under the Tax Act or other legislation or similar laws of Canada or of any other jurisdiction with respect to any other governmental credit, grant or benefit, the sale or transfer of any of the assets of the Partnership, the distribution of the assets of the Partnership, or the dissolution and termination of the Partnership;

      (vii) any instrument or document which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Partner;

      (viii) any instrument or document required or appropriate to be filed with any governmental body or respecting the business, property and assets of the Partnership or the Partnership Agreement and with respect to the disposition of a Subscriber’s Units, if such Subscriber becomes a non-resident of Canada for purposes of the Tax Act;

   but the foregoing grant of authority shall not include the authority to transfer the interest of such Subscriber in his or her Units or to execute any proxy on behalf of such Subscriber or to vote in respect of any Ordinary Resolution or any Special Resolution.

   The grant of authority contained in this power of attorney is given for valuable consideration and is coupled with an interest, is irrevocable and will survive the bankruptcy of a Subscriber or the transfer or assignment by such Subscriber of all or part of his or her interest in the Partnership and binds the heirs, executors, administrators, and other legal representatives and successors and assigns of such Subscriber, and may be exercised by the General Partner on behalf of

such Subscriber in executing any instrument or document by listing all the Limited Partners thereon and executing such instrument or document with a single signature as attorney and agent for all of them. The Subscriber agrees to be bound by any representations and actions made or taken by the General Partner pursuant to this power of attorney permitted by the Partnership Agreement and hereby waives any and all defenses which may be available to contest, negate or disaffirm any such action of the General Partner taken in good faith under this power of attorney. This power of attorney shall continue on as long as the attorney and agent is the general partner of the Partnership, and shall terminate thereafter with respect to that attorney or agent upon substitution therefore of a substitute general partner but shall continue in respect of the substitute general partner.

The Subscriber confirms having requested that this Subscription Agreement, the Offering Memorandum, the Partnership Agreement and all communications with respect thereto be in the English language.

7. The Partnership hereby covenants and agrees with the Subscriber as follows:

(a) for a period of ending on the Termination Date, the Partnership shall remain, (i) a validly subsisting limited partnership under the laws of its jurisdiction of formation, (ii) licensed, registered or qualified as an extra-provincial or foreign limited partnership in all jurisdictions where the nature of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction;

(b) forthwith after the Closing the Partnership shall file such forms and documents as may be required under the Applicable Securities Laws relating to the offering of the Purchased Securities;

(c) the Partnership shall perform and carry out all of the acts and things to be completed by it as provided in this Subscription Agreement; and

(d) the Partnership shall use the proceeds of the Purchased Securities as set out to the Offering Memorandum in the conduct of its business.

8. The Subscriber agrees that the following must be delivered to the General Partner at 25 Adelaide St. East, Suite 1616, Toronto, Ontario, M5C 3A1, fax number (416) 362-5149, not later than 10:00 a.m. (Toronto time) on the date that is one day prior to the Closing Date as hereinafter defined:

(a) a certified cheque or bank draft payable to the Partnership representing the aggregate Subscription Price payable by the Subscriber for the Purchased Securities, unless other payment arrangements acceptable to the Partnership have been made;

(b) for all Subscribers, one completed and duly signed copy of this Subscription Agreement;

(c) for all Subscribers, one completed and duly signed copy of the Risk Acknowledgment Form attached as **Appendix "A-1"**;

(d) if you are a resident in any jurisdiction in Canada, other than Ontario, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount does not exceed $10,000, complete and initial:

(i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

(ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2**"; and

(iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**;

(e) if you are a resident in any jurisdiction in Canada, other than Ontario, and are subscribing under the "Offering Memorandum Exemption", and your subscription amount is greater than $10,000, complete and initial:

(i) the applicable reference in the Risk Acknowledgement Form of **Appendix "A-1"**; and

(ii) the Classification of Investors Under the Offering Memorandum Exemption Form of **Appendix "A-2"**; and

(iii) the Investment Limits for Investors Under the Offering Memorandum Exemption Form of **Appendix "A-3"**; and

(iv) the Representation Letter form of **Appendix "B"** and **Appendix "C"**, if applicable; and

(v) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**, if applicable;

(f) if you are a resident of the Province of Ontario and are subscribing under the "accredited investor" exemption, complete and sign:

(i) the Accredited Investor Certificate - **Appendix "D"**; and

(ii) the Accredited Investor Risk Acknowledgement - **Appendix "D-1"**;

(g) If you are not an Individual and are subscribing for an amount of $150,000 or greater, please initial the applicable reference in the Accredited Investor and Minimum Investment Certificate - **Appendix "D"** of this Subscription Agreement; and

(h) such other documents as may be required pursuant to terms of this Subscription Agreement and otherwise by Applicable Securities Laws duly completed and executed.

9. The obligation of the Partnership to issue to the Subscriber the Purchased Securities is conditional upon:

(a) the representations and warranties made by the Subscriber herein being true and correct when made and being true and correct on the applicable Closing Date with the same force and effect as if they had been made on and as of such date; and

(b) all covenants, agreements and conditions contained in this Subscription Agreement to be performed by the Subscriber on or prior to the Closing Date having been so performed or complied with.

10. Delivery of and payment for the Purchased Securities (the "Closing") will be completed at the offices of the General Partner, at 10:00 a.m. (Toronto time) (the "Time of Closing") on the applicable date when the Partnership has determined to proceed with Closing or such other date as determined by the General Partner (the "Closing Date").

11. The Subscriber acknowledges that this Subscription Agreement and the appendices hereto require the Subscriber to provide certain personal information to the General Partner and the Partnership. Such information is being collected by the General Partner and the Partnership for the purposes of completing the sale of the Purchased Securities, which includes, without limitation, determining the Subscriber's eligibility to purchase the Purchased Securities under applicable securities legislation, preparing and registering certificates representing the Purchased Securities to be issued to the Subscriber and completing filings required by any securities regulatory authority. The Subscriber's personal information, including name, address, telephone number, social insurance number or business identification number and any other information contained in this Subscription Agreement may be disclosed by the General Partner on behalf of the Partnership to: (a) securities regulatory authorities and taxation authorities; (b) the Partnership' s registrar and transfer agent; and (c) any of the other parties involved in the offering and sale of the Purchased Securities, including legal counsel and may be included in record books in connection with the offering and sale of the Purchased Securities. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents referred to in this Subscription Agreement as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated herein. The Subscriber acknowledges that the Ontario Securities Commission has authority to collect the information contained herein indirectly under authority granted to it pursuant to the *Securities Act* (Ontario) for the purposes of the administration and enforcement of securities legislation in Ontario. The Subscriber may contact the Administrative Assistant to the Director of Corporate Finance of the Ontario Securities Commission at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, (416) 593-8086 for further information concerning the collection of personal information by the Ontario Securities Commission.

12. In the event that the Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), and it was a misrepresentation on the date of the investment, the Subscriber shall have, subject as hereinafter in this paragraph provided, a right, exercisable on written notice given not more than one hundred and eighty (180) days subsequent to the date of acceptance of this Subscription Agreement by the General Partner, either of an action for damages, or alternatively, for rescission, against the Partnership and the General Partner, while still the owner of the Purchased Securities to be acquired hereunder, provided that:

(a) neither the Partnership nor the General Partner shall be held liable under this Section 12 if the Subscriber purchased the Purchased Securities with the knowledge of the misrepresentation;

(b) if an action for damages, neither the Partnership nor the General Partner shall be liable for all or any part of such damages that either, as the case may be, proves do not represent the depreciation of value of the Purchased Securities as a result of the misrepresentation relied upon;

(c) in no case shall the amount recoverable exceed the price at which the Purchased Securities are offered under the Offering Memorandum; and,

(d) the foregoing rights are in addition to and without any derogation from any other right or remedy available at law to the Subscriber.

The contractual right to sue the Partnership contained herein is available to the Subscriber whether or not the Subscriber relied on the misrepresentation. However, in an action for damages, the amount the Subscriber may recover will not exceed the Subscription Price that the Subscriber paid for the Purchased Securities and will not include any part of the damages that the Partnership proves does not represent the depreciation in value of the Purchased Securities resulting from the misrepresentation. The Partnership has a defense if it proves that the Subscriber knew of the misrepresentation when the Subscriber purchased the Purchased Securities.

The Subscriber agrees that the Partnership and/or the General Partner or any other person or corporation against whom damages are claimed will have available defenses equivalent to the defenses available under all Applicable Securities Laws.

If the Subscriber intends to rely on the rights described in this Section 12, the Subscriber must commence an action to rescind the Subscription Agreement within 180 days after the Subscriber signed the Subscription Agreement to purchase the Purchased Securities, and the Subscriber must commence an action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, and (ii) three years after the Subscriber signed the Subscription Agreement to purchase the Purchased Securities.

13. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

14. All costs and expenses (including any fees and disbursements of any legal counsel) incurred in connection with this Subscription Agreement and the transactions contemplated therein shall be paid by the party incurring such expenses.

15. This Subscription Agreement is not transferable or assignable by the parties hereto, in whole or in part, without the express written consent of the other party to this Subscription Agreement.

16. This Subscription Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

17. This Subscription Agreement (including the appendices hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only. The headings contained herein are for convenience only and shall not affect the meanings or interpretation hereof.

18. The parties hereto confirm their express wish that this Subscription Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language.

    Les parties reconnaissent leur volonte expresse que la presente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rediges en anglais.

    Time shall be the essence of this Subscription Agreement.

19. This Subscription Agreement may be executed in one or more counterparts, each of which counterparts when executed shall constitute an original and all of which counterparts so executed shall constitute one and the same instrument.

PAYMENT INSTRUCTIONS

The Subscription Price shall be paid in Canadian currency by bank draft or cheque to the order of the Partnership at 25 Adelaide St. East, Suite 1616, Toronto, Ontario, M5C 3A1, or as otherwise arranged and agreed to by the General Partner.

APPENDIX "A-1"
FORM 45-106F4

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these Units or the disclosure in the Offering Memorandum.
- The Units offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program.
- I will not be able to sell these Units except in very limited circumstances.
- I may never be able to sell these Units.
- I could lose all the money I invest.

WARNING

I am investing $_____ in total; this includes any amount I am obliged to pay in future.

Pavilion Flow-Through L.P. (2016)1 will pay $_____ [amount of fee or commission] 10% of this to _____ _____ [name of dealership selling the securities] plus 1% to Accilent Capital Management Inc. as an administration fee for a total of all fees or commission of 11%.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____, 20_____

_____
Signature of Purchaser

_____
Print name of Purchaser

Sign 2 copies of this document. Keep one for your records.

You have 2 business days to cancel your purchase.
To do so, send a written notice to Pavilion Flow-Through L.P. (2016) 1 stating that you want to cancel your purchase. You must deliver the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or e-mail or deliver it in person to Pavilion Flow-Through L.P. (2016) 1 at its business address. Keep a copy of the notice for your records.

The Issuer: **PAVILION FLOW-THROUGH L.P. (2016) 1**
Address: 25 Adelaide St. East, Suite 1616
Toronto, Ontario, M5C 3A1
Phone: (416) 429-9779
Email: service@accilentcapital.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed.

You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

- If you live in British Columbia, contact the British Columbia Securities Commission at (604) 899-6500, (outside the local area, call toll-free 1-800-373-6393), or visit its website at www.bcsc.bc.ca.
- If you live in Alberta, contact the Alberta Securities Commission in Calgary at (403) 297-6454 or visit its website at www.albertasecurities.com.
- If you live in Saskatchewan, contact the Financial and Consumer Affairs Authority of Saskatchewan in Regina at (306) 787-5645, or visit its website at www.fcaa.gov.sk.ca.
- If you live in Manitoba, contact The Manitoba Securities Commission at (204) 945-2548, or visit its website at www.msc.gov.mb.ca.
- If you live in the Northwest Territories, contact the Office of the Superintendent of Securities at (867) 920-3318, or visit its website at www.justice.gov.nt.ca/SecuritiesRegistry.
- If you live in Nunavut, contact the Nunavut Securities Office at (867) 975-6590, or visit its website at nunavutlegalregistries.ca/sr_index_en.shtml.
- If you live in the Yukon, contact the Office of the Yukon, Superintendent of Securities at (867) 667-5225, or visit its website at www.community.gov.yk.ca/corp/securities_about.html.

Instruction: The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.

APPENDIX "A-2"

CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This appendix must be completed together with the Risk Acknowledgment Form and Appendix "A-3" by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106).

How you qualify to buy securities under the offering memorandum exemption
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		**Your Initials**
Eligible Investor	Your net income before taxes was more than $75,000 in each of the 2 most recent calendar years, and you expect it to be more than $75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than $125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than $125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than $400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the *Securities Act* (Ontario), because:		**Your Initials**
Accredited Investor	Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [*Family, friends and business associates*] of NI 45-106, because:		**Your Initials**
Family, Friends and Business Associates	You are: 1) [*check all applicable boxes*] ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR 2) [*check all applicable boxes*] ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	

C. You are an eligible investor, as a person described in section 2.5 [*Family, friends and business associates*] of NI 45-106, because:		**Your Initials**
Family, Friends and Business Associates	You are a family member of _____ [*Instruction: Insert the name of the person who is your relative either directly or through his or her spouse*], who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____of that person or that person's spouse. [*Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.*]	
	You are a close personal friend of _____ [*Instruction: Insert the name of your close personal friend*], who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
	You are a close business associate of _____ [*Instruction: Insert the name of your close business associate*], who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

D. You are not an eligible investor.		**Your Initials**
Not An Eligible Investor	You acknowledge that you are not an eligible investor.	

APPENDIX "A-3"

INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This appendix must be completed together with the Risk Acknowledgment Form and Appendix "A-2" by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106).

SECTION 1 TO BE COMPLETED BY THE PURCHASER **1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption**
You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Appendix "A-2". Initial the statement that applies to you.

A. You are an eligible investor because:		
Eligible Investor	As an eligible investor that is an individual, you cannot invest more than **$30,000** in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this appendix, that your investment is suitable. Initial one of the following statements:	**Your Initials**
	You confirm that, after taking into account your investment of $_____ today in this issuer, you have not exceeded your investment limit of $30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this appendix that the following investment is suitable. You confirm that, after taking into account your investment of $_____today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of $100,000.	

B. You are an eligible investor, as a person described in section 2.3 [*Accredited investor*] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the *Securities Act* (Ontario), because:		**Your Initials**
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [*Accredited investor*], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		**Your Initials**
Family, Friends and Business Associate	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [*Family, friends and business associates*], you are not subject to investment limits.	

D. You are not an eligible investor.		**Your Initials**
Not An Eligible Investor	You acknowledge that you cannot invest more than **$10,000** in all offering memorandum exemption investments made in the previous 12 months. You confirm that, after taking into account your investment of $_____ today in this issuer, you have not exceeded your investment limit of $10,000 in all offering memorandum exemption investments made in the previous 12 months.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT **2. Registrant information**	
[Instruction: this section must only be completed if an investor has received services from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]	
First and last name of registrant (please print):	
Registered as: *[Instruction: indicate whether registered as a dealing representative or advising representative]*	
Telephone:	Email:
Name of firm: *[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager]*	
Date:	

APPENDIX "B"
OFFERING MEMORANDUM EXEMPTION
REPRESENTATION LETTER - 45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY ALL SUBSCRIBERS WHO ARE SUBSCRIBING FOR MORE THAN $10,000 IN UNITS

The undersigned (the "**Subscriber**") hereby confirms and certifies to Pavilion Flow-Through L.P. (2016) 1 that the Subscriber is purchasing the Units as principal, that the Subscriber is resident in the jurisdiction set out on the execution page hereof, and that the Subscriber is an "Eligible Investor" by virtue of being: **[check appropriate boxes]**

☐ a person or company whose **[circle one or more]**

(i) net assets, alone or with a spouse, exceed CDN $400,000,

(ii) net income before taxes exceeded CDN $75,000 in each of the two (2) most recent calendar years and who reasonably expects to exceed that income level in the current year, or

(iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded CDN $125,000 in each of the two (2) most recent years and who reasonably expects to exceed that income level in the current year,

☐ a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,

☐ a general partnership in which all of the partners are eligible investors,

☐ a limited partnership in which the majority of the general partners are eligible investors,

☐ a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,

☐ an "accredited investor" (as defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**")),

☐ a person who is a "family member", "close personal friend" or "close business associate" as described in Section 2.5 of NI 45-106; or

☐ in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser (as defined in NI 45-106).

EXECUTED by the Subscriber this ___ day of _____, 20_____

If a corporation, partnership or other entity:

_____
Signature of Authorized Signatory

_____
Name and Position of Signatory

_____
Name of Purchasing Entity

_____
Jurisdiction of Residence

If an individual:

_____
Signature

_____
Print Name

_____
Jurisdiction of Residence

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You have consulted your own professional advisers before investing in the securities.

You will not receive advice *[Instruction: Delete if sold by registrant]*

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

The issuer of your securities is a non-reporting issuer *[Instruction: Delete if issuer is reporting]*

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. you can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

The securities you are buying are not listed *[Instruction: Delete if securities are listed or quoted]*

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Service Commission's website at http://www.fcaa.gov.sk.ca.

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

APPENDIX "D"

ACCREDITED INVESTOR AND MINIMUM INVESTMENT CERTIFICATE

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this form.

TO: PAVILION FLOW-THROUGH L.P. (2016) 1 (the "**Fund**")

In connection with the proposed purchase of Units of the Fund as described in the annexed Subscription for Units, the undersigned represents and warrants that the undersigned has read the following definition of "Accredited Investor" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**") and the *Securities Act* (Ontario) and certifies that the undersigned is resident in a province or territory of Canada or is otherwise subject to the laws of a province or territory of Canada and (a) is purchasing the Units as principal for its own account and not for the benefit of any other person and (i) is an Accredited Investor or (ii) is not an "individual" as defined under the *Securities Act* (Ontario) and the Aggregate Subscription Amount equals CDN$150,000 or more as indicated below, or (b) is purchasing the Units as agent or trustee for a beneficial purchaser, each such beneficial purchaser is purchasing as principal for its own account and not for the benefit of any other person and each such beneficial purchaser is (i) an Accredited Investor or (ii) is not an "individual" as defined under the *Securities Act* (Ontario), and the Aggregate Subscription Amount equals CDN$150,000 or more as indicated below:

IMPORTANT:

(1) PLEASE INITIAL THE APPLICABLE CATEGORY IN THIS APPENDIX "D".

(2) IF YOU HAVE INITIALED CRITERION (j), (k) OR (l) IN THIS APPENDIX "D", COMPLETE AND EXECUTE 2 ORIGINALS OF THE RISK ACKNOWLEDGEMENT FORM ATTACHED AS APPENDIX "D-1" HERETO.

☐ **Aggregate Subscription Amount** equal to or greater than CDN$150,000; or

☐ an "**Accredited Investor**" as indicated below **[initial one or more]**:

_____ (a) A Canadian financial institution, or a Schedule III bank.

_____ (b) The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).

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

_____ (d) A person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer.

_____ (e) An individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d).

_____ (e.1) An individual formerly under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador).

_____ (f) The Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada.

_____ (g) A municipality, public board or commission in Canada and a metropolitan community, school board, the *Comité de gestion de la taxe scolaire de l'île de Montréal* or an intermunicipal management board in Quebec.

_____ (h) Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government.

_____ (i) A pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada.

_____ (j) An individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds CDN $1,000,000.

{Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of "financial assets" later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets — see the definition of "related liabilities". Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1), then initial paragraph (j.1) instead of this paragraph (j).}

{Note: If you are an accredited investor described in this paragraph (j), and do not meet the higher financial asset threshold set out in paragraph (j.1), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (Appendix "D-1").}

_____ (j.1) An individual who beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds CDN $5,000,000.

{Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).}

_____ (k) An individual whose net income before taxes exceeded CDN $200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded CDN $300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year.

{Note: If you are an accredited investor described in this paragraph (k), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (Appendix "D-1").}

_____ (l) An individual who, either alone or with a spouse, has net assets of at least CDN $5,000,000.

{Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.}

{Note: If you are an accredited investor described in this paragraph (l), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (Appendix "D-1").}

_____ (m) A person, other than an individual or investment fund, that has net assets of at least CDN $5,000,000 as shown on its most recently prepared financial statements.

_____ (n) An investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution,

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (*Minimum amount investment*), or 2.19 (*Additional investment in investment funds*) of NI 45-106, or

(iii) a person described in clause 14(i) or (ii) that acquires or acquired securities under section 2.18 (*Investment fund reinvestment*) of NI 45-106.

_____ (o) An investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt.

_____ (p) A trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be.

_____ (q) A person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction.

_____ (r) A registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded.

_____ (s) An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function.

_____ (t) A person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors.

{Note: If you have initialed this paragraph (t), name each owner of an interest, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this Appendix D). If a person named below is a director required by law to own a voting security, and that person is not an accredited investor, indicate "director" under Category.}

Name	Category
_____	_____
_____	_____
_____	_____
_____	_____

_____ (u) An investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser.

_____ (v) A person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor.

_____ (w) A trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

{Note: If you have initialed this paragraph (w), name the person who established the trust and each trustee, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this Appendix D). If a person named below is not an accredited investor, indicate "N/A" under Category.}

	Name	Category
Person who established trust:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____

Name of Purchaser:	
Signature of Purchaser (or authorized signatory/agent on behalf of Purchaser):	
Name and official capacity or title of authorized signatory/agent, if applicable:	
Date:	

For the purposes hereof:

(a) "**Canadian financial institution**" means

(i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) "**eligibility adviser**" means

(i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and

(ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

(A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

(c) "**financial assets**" means

(i) cash,

(ii) securities, or

(iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(d) "**foreign jurisdiction**" means a country other than Canada or a politician subdivision of a country other than Canada;

(e) "**founder**", means, in respect of an issuer, a person who,

(i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(ii) at the time of the trade is actively involved in the business of the issuer;

(f) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(g) "**investment fund**" has the same meaning as in National Instrument 81-106 - Investment Fund Continuous Disclosure;

(h) "**jurisdiction of Canada**" means a province or territory of Canada;

(i) "**person**" includes

(i) an individual,

(ii) a corporation,

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

(j) "**related liabilities**" means

(i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(ii) liabilities that are secured by financial assets;

(k) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(l) "**spouse**" means, an individual who,

(i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

(ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

(m) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

(n) a person (first person) is considered to "**control**" another person (second person) if

(i) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

(iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representation and warranty is true and accurate as of the date of this Certificate and will be true and accurate as of the Closing Date of the offering of Units as set out in the Subscription Agreement to which this appendix is annexed. If any such representation or warranty will not be true and accurate prior to the Closing Date, the undersigned will give immediate written notice of such fact to the Fund.

Dated: _____

Signed: _____

_____
Print Name of Subscriber

_____
If Subscriber **is not** an individual,
Print Name and Title of Authorized Signing Officer

APPENDIX "D-1"
ACCREDITED INVESTOR RISK ACKNOWLEDGEMENT

MUST BE COMPLETED BY ALL INDIVIDUAL SUBSCRIBERS PURCHASING UNITS UNDER THE ACCREDITED INVESTOR EXEMPTION PURSUANT TO S. 2.3 OF NATIONAL INSTRUMENT 45-106: PROSPECTUS AND REGISTRATION EXEMPTIONS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITYHOLDER	
1. About your investment	
Type of securities: Class A Trust Units	Issuer: PAVILION FLOW-THROUGH L.P. (2016) 1
Purchased from:	
SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
The investment is risky. Initial that you understand that:	**Your Initials**
Risk of loss – You could lose your entire investment of $_____ *[Instructions: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly - or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to you, about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your Initials**
• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITYHOLDER	
6. For more information about this investment	
PAVILION FLOW-THROUGH L.P. (2016) 1 1616-25 Adelaide St. East, Toronto ON M5C 3A1 Telephone: (416) 429-9779 Email: service@accilentcapital.com	

APPENDIX "E"

CONSENT TO ELECTRONIC DELIVERY OF DOCUMENTS

Communicating with investors in an efficient and timely manner is a primary goal of Accilent Capital Management Inc. ("Accilent"). In order to achieve that, we would like to offer the delivery of some materials electronically to Subscribers.

TO: Pavilion Flow-Through L.P. (2016) 1 (the "Partnership") and PRF (GP) Management (No. 3) Limited (the "General Partner") and Accilent (the "Investment Manager")

I have read and understand this "Consent to Electronic Delivery of Documents" and agree to the electronic delivery of documents required to be delivered to me by securities legislation. I understand that I am not required to provide this consent to electronic delivery. I understand that my consent may be revoked or changed, including any change in my email address at any time, by notifying you by telephone, regular mail or email at any of the addresses listed on the Accilent website.

1. Documents and communications covered by this consent may include partnership agreements, financial statements, meeting notices, proxy and voting materials, offering memorandums, investor communications, surveys, notices, reports, forms (the "Documents") should you elect to deliver some or all of them electronically. By signing this consent form, I agree that some or all of the Documents may be delivered to me electronically and I recognize that not all Documents are available electronically nor may be available electronically. I understand that some, all or none of the Documents may be delivered electronically.

2. Documents will be in a standard, commonly used format and will require me to have a computer that has an internet connection. Instructions and/or links to software required to open and read the Documents will be provided on Accilent's website.

3. I understand that I may receive notice that Documents are available on the Accilent web site but you are not required to provide such notice. I also agree to periodically check the Accilent website at www.accilentcapital.com for Documents. If you place Documents on your website that will satisfy your delivery obligations. If Documents are placed on the Accilent website, they will be available for viewing for at least 12 months. In addition, Accilent may decide to send me an email with Documents attached or notifying me that Documents are available for electronic delivery and providing details as to the delivery process. In the case of Documents containing personal information, I acknowledge that you will take steps to ensure that I am the only person that receives them.

4. Should you receive notice that electronic delivery has failed, I understand that you will send a printed copy of any Documents to the address on file for me.. I understand that you may make but are not required to make multiple delivery attempts electronically. I also understand that you may attempt to contact me by telephone in order to correct delivery issues electronically before sending a paper copy. I acknowledge that I can request a paper copy of any Documents at no cost if I contact you by telephone, regular mail or email at any of the addresses listed on the Accilent website at www.accilentcapital.com.

5. I understand that you will not disclose my e-mail address or other contact information to any third party unless it is required by law. Disclosure will only be made in accordance with your use of personal information policy. My email may be disclosed to a third party for the purpose of delivering the Documents.

_____

Name

_____

E-mail Address

_____

Signature