

LIMITED PARTNERSHIP AGREEMENT

GRAVITAS SELECT FLOW-THROUGH L.P. II

DATED AS OF AUGUST 1, 2014

GRAVITAS SELECT FLOW-THROUGH L.P. II

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GRAVITAS SELECT FLOW-THROUGH L.P. II

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT dated as of the 1st day of August, 2014 is made

AMONG:

GRAVITAS SELECT FLOW-THROUGH GP INC., a corporation incorporated under the laws of the Province of Alberta (the "**General Partner**"),

- and -

DAVID CARBONARO, of the City of Toronto, in the Province of Ontario (the "**Initial Limited Partner**"),

- and -

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

WHEREAS:

- 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 Securities of Resource Companies and otherwise conducting the Business.
- 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.

NOW THEREFORE 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 or an associate of the other, as those terms are defined in the *Securities Act* (Alberta),

- (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 or the Portfolio Manager are general partners or managers.

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

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

"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 principal bank used by the Limited Partnership in City of Toronto, Ontario, is open for business.

"Capital Account" means the account established for each Partner pursuant to subsection 4.6(a)(i).

"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 which are offered pursuant to the Offering Memorandum.

"Current Account" means the account established for each Partner pursuant to subsection 4.6(a)(ii).

"Eligible Expenditures" means expenditures in respect of resource exploration and development which qualify as "Canadian exploration expense" or "Canadian renewable and conservation expense", both as defined in subsection 66.1(6) of the Tax Act, or as "Canadian development expense" as defined in subsection 66.2(5) of the Tax Act which may be renounced to the Partnership as Canadian exploration expense effective December 31, 2014.

"Fiscal Year" shall have the meaning set out in Section 2.3.

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

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

"General Partner" means Gravitas Select Flow-Through GP Inc., 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.

"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 Securities and any extraordinary or unusual items, all calculated in accordance with the Tax Act.

"Initial Closing Date" means the date upon which the first Closing of the offering of Units pursuant to the Offering Memorandum occurs.

"Initial Limited Partner" means David Carbonaro 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.

"Issue Expenses" means the expenses of the Offering (other than 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 1.0% 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.

"Liquidity Alternative" means an alternative to the termination of the Partnership, which the General Partner may propose for the approval of the Limited Partners at a special meeting of Limited Partners, which may include: (i) a transaction pursuant to which the Partnership will transfer its assets to an open-end "mutual fund corporation" or "mutual fund trust" for purposes of the Tax Act existing under the laws of Canada (to be established by the General Partner specifically for the Partnership's assets and managed by the Portfolio Manager) on a tax-deferred basis in exchange for securities of the mutual fund corporation or mutual fund trust, within 60 days of which, upon the dissolution of the Partnership, the securities of the mutual fund corporation or mutual fund trust will be distributed to the Limited Partners, *pro rata*, on a tax-deferred basis, provided that no such alternative may be proposed which affects the status of the Flow-Through Securities as flow-through shares for income tax purposes, whether prospectively or retroactively; or (ii) such other form of transaction resulting in liquidity to the Limited Partners as the General Partner determines, in its discretion, to be in the best interests of the Limited Partners. Any such proposal will be subject to approval by Special Resolution.

"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 cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to holders of record on a date before the date as of which the Net Asset Value is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Portfolio Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth

the full amount thereof, in which event the value thereof shall be deemed to be such value as Portfolio Manager shall determine to be the reasonable value thereof,

- (ii) 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 the closing bid price on such date, or if there is no such closing bid price, the closing price on such date, as reported by any report in common use or authorized by such stock exchange,
 - (iii) where the Partnership has executed a Flow-Through Investment Agreement but has not completed the acquisition of the Flow-Through Securities provided for thereunder, for the purposes of calculating the Net Asset Value, the Partnership shall exclude the value of the acquired Flow-Through Securities, but will include the applicable subscription funds. On completion of the acquisition of Flow-Through Securities, the value of the securities so acquired 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 Company, if any) shall be deducted in calculating the Net Asset Value,
 - (iv) 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 closing price on such market on such date or if there is no closing price on such date, at a price per security determined by the Portfolio Manager acting reasonably, based on any significant amount of over-the-counter trading between registered brokers of such securities, provided such trades (including bid and ask prices for such trades) are confirmed to the Portfolio Manager,
 - (v) the value of any security or property or other assets to which, in the opinion of the Portfolio 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 Portfolio Manager from time to time adopts,
 - (vi) tax deductions which accrue to holders of Units shall not be taken into account in making such determination, and
 - (vii) 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 and the Portfolio Manager (including contingent distributions).

"Net Asset Value per Unit" means the amount obtained by dividing the Net Asset Value of the Partnership as of a particular Valuation Date by the total number of Units outstanding on that date.

"Net Earnings" for any fiscal period means Net Gain minus Net Loss.

"Net Gain" for any fiscal period means the aggregate of: (i) net proceeds of disposition to the Partnership of investments disposed of in that period minus the acquisition cost to the Partnership of such investments, where a positive number; 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 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.

"Net Proceeds" means, at any time, the Gross Proceeds less amounts paid in respect of finders' fee or commissions, the fees payable to the General Partner and other Offering expenses, including such matters as accounting, legal and closing costs together with all interest accrued thereon.

"Offering" means the public offering of a minimum 100,000 units and up to a maximum 1,000,000 Units of the Partnership as described in the Offering Memorandum.

"Offering Memorandum" means the Offering Memorandum of the Partnership to be filed in the Selling Provinces 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 1% 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 *Partnership Act*.

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

"Performance Fee" has the meaning set out in section 7.4.

"Performance Fee Date" has the meaning set out in section 7.4.

"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.

"Portfolio Manager" means PSSI, and its successors as provided herein, as portfolio manager of the Partnership.

"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.

"Proceeds Available For Investment" means, at any time, the aggregate Net Proceeds less amounts required for the payment of the ongoing expenses of the Partnership.

"PSSI" means Portfolio Strategies Securities Inc., an investment dealer regulated by the Investment Industry Regulatory Organization of Canada.

"Record" means the record of Limited Partners set out in the certificate, as amended from time to time, pursuant to which the Partnership was formed under the *Partnership 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 Companies" means resource issuers whose principal business is oil and gas exploration development and/or production, resource issuers involved in mineral exploration, development and/or production or resource issuers involved in the generation of electrical and heat energy who qualify for Canadian renewable and conservation expenses, as defined in the Tax Act.

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

"Selling Provinces" means the provinces and territories within Canada in which the Offering will be made, being British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

"Special Resolution" means a resolution passed by 50% 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 50% or more of the Units outstanding and entitled to vote on such resolution at a meeting.

"Subscriber" means a person who subscribes for Units.

"Subscription" means a subscription for a minimum of one (1) Unit in the Partnership by the execution of a Subscription Agreement and Power of Attorney and delivery thereof, together with the Subscription Price, to the Partnership.

"Subscription Agreement and Power of Attorney" means, a subscription agreement and power of attorney to be executed by each such Subscriber, in a form satisfactory to the General Partner.

"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" means December 31, 2017 or such other date as may be determined in accordance with Section 2.6 of this Agreement.

"Transfer Form and Power of Attorney" means a form of transfer and power of attorney substantially in the form attached hereto as Schedule "A".

"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 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 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.

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule "A" – Transfer Form and Power of Attorney

**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 *Partnership Act* to carry on business under the firm name of "GRAVITAS SELECT FLOW-THROUGH L.P. II".

2.2 Principal Place of Business.

The principal place of business of the Partnership will be Toronto, Ontario.

2.3 Fiscal Year.

The first fiscal period of the Partnership will end on December 31, 2014. 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 Securities issued by Resource Companies whose principal business is oil and gas exploration, development and/or production, resource issuers involved in mineral exploration, development and/or production or resource issuers involved in the generation of electrical and heat energy who qualify for Canadian renewable and conservation expenses, as defined in the Tax Act, with the objective of achieving capital appreciation for Limited Partners in accordance with the investment strategy, criteria and restrictions set out herein. The Partnership may also invest in flow-through special warrants, which entitle the Partnership to acquire, for no additional consideration, shares in the capital of Resource Companies, provided that such flow-through special warrants qualify as flow-through shares for the purposes of the Tax Act. As part of the Partnership's investment strategy, the Partnership may, from time to time, dispose of Flow-Through Securities and other investments and reinvest the net proceeds from such dispositions (after consideration being given to applicable distributions to Limited Partners) in securities of Resource Companies, including Resource Companies in the oil and gas, mining and energy industries and, subject to certain limitations, related resource business issuers, such as pipeline or service companies and utilities. 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, 2014, endeavour to subscribe for Flow-Through Securities having an aggregate purchase price equal to the aggregate Proceeds Available For Investment in contemplation of the Resource Companies incurring Eligible Expenditures and renouncing Eligible Expenditures in an amount equal to the purchase price of such Flow-Through Securities 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, 2014. The Flow-Through Investment Agreements entered into by the Partnership during 2014 may permit a Resource Company to incur Eligible Expenditures at any time up to December 31, 2015

provided that the Resource Company agrees to renounce such Eligible Expenditures to the Partnership with an effective date of December 31, 2014.

- (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 Alberta 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) If determined to be necessary by the General Partner, the Partnership and the General Partner will use their best efforts to obtain such consents, rulings, orders, waivers or discretionary relief as may be required in order that the calculation of the applicable hold period in respect of Flow-Through Securities acquired by the Partnership commences upon the execution of the relevant Flow-Through Investment Agreement.
- (e) Pending the investment of the Proceeds Available for Investment in Resource Companies, all such Proceeds Available for Investment will be invested in securities issued or guaranteed by the Government of Canada or any agency thereof or by the government of any province of Canada or any agency thereof, in investment grade short-term commercial paper or in interest-bearing accounts of Canadian chartered banks.

2.5 Investment Strategy, Criteria and Restrictions.

- (a) The Partnership's investment strategy shall be to acquire Flow-Through Securities issued by Resource Companies that: (i) have experienced management; (ii) have an exploration program and/or operational facility (in the case of electrical and heat energy investments) in place; (iii) offer potential for future growth; and (iv) meet certain enterprise value and other criteria.
- (b) The activities of the Partnership shall be conducted in accordance with the following investment criteria and restrictions:
 - (i) **Resource Companies.** The Partnership will initially invest in Flow-Through Securities of Resource Companies whose principal business is oil and gas exploration, development and/or production, resource issuers involved in mineral exploration, development and/or production or resource issuers involved in the generation of electrical and heat energy where related expenditures qualify as Canadian renewable and conservation expenses, as defined in the Tax Act.
 - (ii) **Exchange Listing Not Required.** The Partnership may invest the Net Proceeds in Flow-Through Securities of private Resource Companies or Resource Companies whose securities are listed on a Canadian stock exchange.
 - (iii) **No Limit on Illiquid Investments.** The Partnership may invest the Net Proceeds in either private or public Resource Companies. There is no minimum enterprise value (being the market value per share of the Resource Company multiplied by the number of shares outstanding after giving effect

to the number of shares purchased by the Partnership and all third party indebtedness owing by the Resource Company).

- (iv) **Diversification.** The Partnership does not intend to invest more than 50% of the Net Proceeds in the securities of any one issuer.
- (v) **Control Positions.** An investment may be made by the Partnership in an issuer that could result in the Partnership owing 20% or more of a class of voting securities of such issuer immediately following such investment.
- (vi) **Conflict of Interest.** Subject to compliance with applicable securities law, the Partnership may invest in securities of entities related to the General Partner or the Portfolio Manager, or purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director.
- (vii) **No Limitation on Reinvestment in Certain Resource Issuers.** Subject to 2.5(b)(iv) and the overall limitation of investing 50% of the Net Proceeds in the securities of any one issuer, the Partnership may reinvest the Net Proceeds received from the disposition of Flow-Through Securities in securities of oil and gas and mineral related resource business issuers, such as pipeline or service companies and utilities, or certain energy issuers involved in the generation of electrical and heat energy who qualify for Canadian renewable and conservation expenses, as defined in the Tax Act.

Any amendment of the investment criteria and restrictions in this section 2.5 must be approved by the Limited Partners by Special Resolution.

2.6 Term of the Partnership.

- (a) The Partnership became a limited partnership on April 8, 2014 when the original certificate forming the Partnership under the *Partnership Act* was filed under the name "GRAVITAS SELECT FLOW-THROUGH L.P. II". The Partnership will pursue its activities until the Termination Date, unless it is dissolved on a different date in accordance with the terms of this Agreement or an alternative to the dissolution of the Partnership on the Termination Date (as described in subsection 2.6(b)) is approved by the Limited Partners and implemented by December 31, 2017.
- (b) The General Partner may propose to the Limited Partners: (i) at a special meeting of Limited Partners, to be held no later than December 31, 2016, a Liquidity Alternative to the termination of the Partnership. A Liquidity Alternative will not include any transaction or arrangement which would affect the status of the Flow-Through Securities as flow-through shares for income tax purposes, whether prospectively or retroactively; or (ii) at a special meeting of Limited Partners, to be held at a date to be determined by the General Partner prior to December 31, 2017.
- (c) A special meeting of the Limited Partners to consider any proposal as described in subsection 2.6(b) must be held no later than December 31, 2016 in order to provide the opportunity to conduct an orderly liquidation of the assets of the Partnership in the event that the Limited Partners do not approve the proposal. If such a special meeting is held, Limited Partners will be provided with appropriate disclosure upon which to base their decision as to whether or not to approve the proposed arrangement. In order to be

implemented, the proposal must be approved by Special Resolution. Any such proposal may be conditional on such matters as are appropriate, including, without limitation, obtaining any necessary regulatory approvals.

- (d) Prior to the Termination Date, and prior to the date of dissolution of the Partnership if it is dissolved on a day other than the Termination Date, the General Partner or its designee shall ensure that, to the extent practicable, the assets of the Partnership are converted to cash. Should the liquidation of certain securities not be practicable or appropriate prior to the Termination Date or such other dissolution date, those securities will be distributed to the Partners in specie on such date.

2.7 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.

2.8 Acknowledgements By Limited Partners.

Each of the Limited Partners hereby acknowledges and agrees as follows:

- (a) If the Limited Partner has subscribed directly for Units, such Limited Partner:
 - (i) has duly executed and delivered or caused to be executed and delivered to the General Partner a Subscription Agreement and Power of Attorney on his or her behalf;
 - (ii) has all necessary power and authority to enter into this Agreement, to give the representations, warranties and covenants made by such Limited Partner in this Agreement, and to grant the Power of Attorney set out in Section 16.1; and
 - (iii) is liable for all obligations of a Limited Partner of the Partnership; and
- (b) all documents executed and other actions taken on behalf of the Limited Partner pursuant to the Power of Attorney set out in Section 16.1 will be binding upon such Limited Partner, and each Limited Partner hereby agrees to ratify any of such documents or actions upon request by the General Partner.

ARTICLE 3 PARTNERSHIP CAPITAL

3.1 Number of Units.

The interests of the Limited Partners in the Partnership are divided into 1,000,000 Units in the case of the maximum Offering. Each person recorded on the Record as a Limited Partner shall be deemed to be the holder of record 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 *Partnership Act* and all applicable securities legislation, be authorized to offer a minimum 100,000 Units and up to a maximum 1,000,000 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 Sale of Units and Capital Contribution of Limited Partners

- (a) A Subscription for Units by each subscribing Person, other than the Initial Limited Partner, shall be for a minimum of 500 Units. On any Closing, the Subscription Price, which shall be contributed to the Partnership as a Capital Contribution in respect of each Unit subscribed for, will be satisfied by payment of a single cheque payable on Closing. No cheques will be cashed prior to the Closing. In the event that a cheque of any Limited Partner payable on Closing is not honoured, or a replacement cheque of such Limited Partner is not submitted and honoured in a prompt fashion, then the Units of such Limited Partner shall be cancelled and shall be deemed never to have been issued.
- (b) The General Partner may, on behalf of the Partnership, sell, on such terms and conditions as the General Partner deems appropriate, any Unit in respect of which payment is in default and apply the proceeds of sale: (a) first, towards the costs of sale, and (b) secondly, towards payment of the unpaid Subscription Price and interest thereon. The balance, if any, will be applied in accordance with applicable law. Any failure to give, or delay in giving, notice of a default to the Unitholder will not affect the liability of such holder for payment of the Subscription Price of the Unit in default or for payment of the Subscription Price for any other Unit. If a Unitholder is in default in payment of the Subscription Price, the Unit in respect of which payment is in default may not thereafter be transferred by such holder until the portion of the Subscription Price which is due and owing and any interest accrued in respect of that Unit has been paid in full.

3.4 Certificates

Immediately following payment of the Subscription Price, and if requested to do so by a Limited Partner or Substituted Partner, the General Partner will deliver or cause to be delivered to such Limited Partner or Substituted Limited Partner, as the case may be, a Certificate specifying the number of Units held by him. Every Certificate must be signed by at least one officer of the General Partner and such signature may be mechanically reproduced.

3.5 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 therefor by any one 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.

3.6 Registrar and Transfer Agent.

Meretsky Law Firm 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.

3.7 Admission as Additional or Substituted Limited Partner.

Upon acceptance by the General Partner of any Subscription and payment of the full Subscription Price, as the case may be, in compliance with subparagraph 3.3(a), 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, the 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.

3.8 Transfer of Units.

- (a) Subject to the terms of this Agreement and to transfer restrictions that may be imposed by applicable securities legislation, 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, as applicable, 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.

- (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.
- (f) No transfer of a Unit shall cause a dissolution of the Partnership.
- (g) In the case of a transfer of Units of less than all of the Units represented by a Certificate, a new certificate for the balance of the Units retained by the transferor shall be issued if such a certificate is requested by the transferor.

3.9 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.

3.10 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.

3.11 New Certificate to Transferor.

In the case of a transfer under section 3.7 of less than all of the Units represented by any Certificate, a new Certificate shall be issued for the balance of the Units retained by the transferor.

3.12 No Obligation to See to Execution of Trust.

Except where specific provision has been made therefor 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.

3.13 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 therefor 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 Section 3.6, 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 *Partnership 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 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.

3.14 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.

ARTICLE 4 SALE OF UNITS AND CONTRIBUTIONS

4.1 Sale of Units.

The General Partner is entitled to raise capital for the Partnership in the Selling Provinces pursuant to the Offering Memorandum. The maximum number of Units which may be issued shall be limited to 1,000,000 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. The Partnership, or the General Partner on behalf of the Partnership, may do all things in connection with the sale of Units, including paying the expenses of the issue, and may engage a registered dealer, financial advisor or eligible sales person as an agent of the Partnership in connection with the distribution of the Units and pay a commission or fee out of the gross proceeds received by the Partnership from the sale of the Units.

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 to such other person at such address as the General Partner directs, the Subscription Price therefor, payable in the manner described in the Offering Memorandum, a Subscription Agreement and Power of Attorney, or such other instrument as the General Partner approves, completed and executed in a manner acceptable to the General Partner, and such other instruments as the General Partner requests.
- (b) The General Partner will be deemed to have accepted a Subscription when the General Partner has accepted the Subscription Agreement and Power of Attorney, or such other instrument as the General Partner approves.

4.4 Refusal of Subscription.

The General Partner shall have the right, in its sole discretion, to refuse to accept any Subscription. If, for any reason, a Subscription 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.

4.5 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.

4.6 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 *Partnership 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 subsections 4.6(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, in consultation with the Auditors, will determine such income or loss in accordance with generally accepted accounting principles.

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) 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) 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) 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.

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 it by Resource Companies 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 General Partner may on behalf of the Partnership, sell Flow-Through Securities at any time if the General Partner is of the opinion that it is in the best interests of the Partnership to do so. The Partnership will not make distributions of Net Earnings, if any, unless otherwise determined appropriate by the General Partner in its discretion.

5.9 Repayments.

If, as determined by the Auditors, it appears that 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 of the Partnership.

- (b) 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 *Partnership 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 Companies to acquire Flow-Through Securities, pursuant to the terms of which agreements, Resource Companies from which the Partnership purchases Flow-Through Securities will be obligated to incur exploration and development expenditures that qualify as Eligible Expenditures. The Flow-Through Investment Agreements entered into with Resource Companies will require the Resource Companies to incur and renounce to the Partnership Eligible Expenditures in an amount equal to the subscription price therefore and any Resource Company 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 subsection 6.2(e)) 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 of the Partnership;
 - (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 reimbursement of the Partnership expenses of the General Partner; 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 3.7 and 4.3 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, commissions and/or 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; and
 - (xvii) to commence and defend any action or proceeding in connection with the Partnership.
- (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) an annual report within 120 days of the end of each Fiscal Year and all other tax filing related information as described in Section 8.2 by March 31 (or as soon as possible thereafter) of the subsequent Fiscal Year; and
 - (iii) a narrative report describing the affairs and operations of the Partnership, within 60 days following March 31, June 30 and September 30, as applicable, of each Fiscal Year.
- (e) 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.

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) a portfolio advisory agreement between the Partnership and a portfolio manager pursuant to which the portfolio manager will provide advice on and manage the Partnership's investment portfolio, select Resource Companies and enter into Flow-Through Investment Agreements with them for and on behalf of the Partnership;
 - (ii) if required, an agency agreement among the Partnership, the General Partner and any registered dealer, pursuant to which such registered dealers may form

and manage selling groups consisting of other registered dealers to offer the Units for sale to the public in the Selling Provinces; 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 subsection 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.

6.4 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 the General Partner's Affiliates, the Portfolio Manager and the Portfolio Manager's Affiliates 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 Securities of Resource Companies. 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 (or the Portfolio Manager or the Portfolio Manager's Affiliates) 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.

6.5 Commingling of Funds.

The General Partner shall not commingle Partnership funds with the General Partner's funds.

6.6 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 therewith;
- (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.

6.7 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.

6.8 Conflict of Interest

Various conflicts of interest exist or may arise between the Partnership, the General Partner and the Portfolio Manager and other partnerships or entities for which Affiliates of the General Partner or Portfolio Manager act as managers. Some of these conflicts arise as a result of the power and authority of the General Partner and the Portfolio Manager 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 will not engage in any business other than acting as the general partner of the Partnership and similar investment funds. The General Partner's Affiliates and the Portfolio Manager and its Affiliates may engage in any 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 in the securities of Resource Companies or other tax-advantaged investment vehicles or may individually or in previous partnerships own securities of the Resource Companies. 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. Any conflicts of interest which arise involving the Partnership, the General Partner or the Portfolio Manager, shall be dealt with on a basis consistent with objectives of the Partnership and the duty of the General Partner and the Portfolio Manager to deal honestly, in good faith and in the best interest of the Limited Partners and the Partnership. Subject to compliance with applicable securities laws, the Partnership may invest in securities of entities related to the General Partner or the Portfolio Manager, or purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director.

It should be noted that Affiliates of the General Partner and/or the Portfolio Manager, including but not limited to Gravitas Financial Inc. ("**GFT**") (in the case of the General Partner) and GFT's wholly-owned subsidiary, Ubika Corp. ("**Ubika**") and Ubika's wholly-owned subsidiary, SmallCapPower Inc. (which provides capital market services, such as investor relations services, to private and public

company clients) may, from time to time, establish relationships with Resource Companies that are the subject of investments by the Partnership. Such relationships could include the provision of capital market services (principally by Ubika), alternative investment in such Resource Companies, either directly or indirectly, the provision of agency services or similar capital raising services (principally by PSSI) or the involvement of individuals that are directors or officers of PSSI or GFI as directors, officers or advisors to the Resource Companies. In establishing such relationships the applicable parties shall be obliged to balance their obligations to the Partnership and the General Partner, as noted above.

As noted above, the Portfolio Manager is not at arm's length to the General Partner. GFI, which is the holder of all the issued and outstanding securities of the General Partner and is also a promoter (as such term is defined by applicable securities laws) ("**Promoter**"), holds an indirect ownership of 9.9% of the Portfolio Manager. In addition, Robert Carbonaro, who serves as managing partner and head of PSSI's investment banking division and is a director and principal shareholder of PSSI, is also a director of GFI, which is the holder of all of the issued and outstanding securities of the General Partner and is also a Promoter. In addition, GFI may consider in the future making investments or acquisitions in the financial services sector and it is possible that this strategy could result in GFI obtaining a direct or indirect interest in the Portfolio Manager at some time in the future. Robert Carbonaro, is the brother of David Carbonaro, the President, a director and significant shareholder of GFI. Evan Lapointe, the Vice President of PSSI, provides technical advice to both the Promoter and the Portfolio Manager. These conflicts of interest may have a detrimental effect on the business of the Partnership.

ARTICLE 7 FEES AND EXPENSES

7.1 Initial Expenses.

The Partnership shall pay the Issue Expenses equal to 0.75% of proceeds raised (being \$15,000 in the case of the minimum amount of the Offering being raised and \$75,000 in the case of the maximum amount of the Offering being raised) to the General Partner and 1.0% of proceeds raised (being \$20,000 in the case of the minimum amount of the Offering being raised and \$100,000 in the case of the maximum amount of the Offering being raised) to the agent and selling Agents for dealer due diligence, platform and distribution override fees. All expenses, fees, costs and disbursements incurred in connection with the creation of the General Partner and the Partnership, the registration of the Partnership as a limited partnership in all jurisdictions where required, and the Offering and sale of Units in excess of the foregoing amounts shall be paid by the General Partner from the Management Fee.

7.2 Ongoing Expenses.

The Partnership will pay all of the Partnership's administrative and operating expenses up to a maximum of \$100,000 per annum, which expenses will include, without limitation, fees payable pursuant to the Portfolio and Investment Fund Management Agreement dated August 1, 2014 between the Partnership and PSSI, administration expenses, 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 shall reimburse the General Partner for its overhead costs relating to the Partnership, including office facilities, equipment and employees and any amounts payable to the Portfolio Manager (or any successor thereof) in respect of portfolio management, administrative and other services, as the case may be, provided to the Partnership on behalf of the General Partner. The foregoing expenses will be paid from the net proceeds from the sale of Flow-Through Securities and other securities.

7.3 Management Fee.

In consideration for the services to be rendered by the General Partner during the term of this Agreement, the General Partner shall be entitled to a fee (the "**Management Fee**") equal to 1.125% per annum (2.25% in aggregate) of the Net Asset Value of the Partnership. The Management Fee shall be calculated and payable to the General Partner quarterly in arrears commencing on the first quarter end following the Initial Closing Date. Any applicable goods and services tax on the Management Fee shall be paid by the Partnership.

7.4 Performance Fees.

The General Partner and the Portfolio Manager will also be entitled to split, on an equal basis, 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 completion of a Liquidity Alternative; and (c) the business day immediately prior to the date of dissolution or termination of the Partnership (such earlier date being the "**Performance Fee Date**"), equal to twenty-five percent (25%) 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 during the period commencing on the Initial Closing Date and ending on the Performance Fee Date exceeds \$11.00. The Performance Fee will be paid to the General Partner in cash before any assets of the Partnership are exchanged as part of a Liquidity Alternative or the dissolution or termination of the Partnership.

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 subsection 8.1(b).
- (b) The General Partner, either directly or by the Registrar and Transfer Agent, must maintain a Record that lists 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 subsection 4.6(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 forward to each person who was a Limited Partner of Record at the end of each Fiscal Year:

- (a) an annual report for such Fiscal Year within 120 days of the end of such Fiscal Year 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 balance sheet;
 - B. a statement of income or loss;
 - C. a statement of cash flows; and
 - D. a statement of Partners' equity;
 - (ii) a statement of portfolio transactions;
 - (iii) 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;
 - (iv) a narrative report describing the affairs and operations of the Partnership
 - (v) a summary of fees and expenses paid in accordance with Article 7 of this Agreement; and
 - (vi) 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 each Partner 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 accountants licensed to practice accounting in Canada.

8.4 Independent Valuation.

The Net Asset Value of the Partnership as at December 31 in each year shall be independently determined by means of a valuation carried out by an independent qualified person on staff with the Partnership's external auditors.

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.

ARTICLE 9 DISSOLUTION

9.1 Dissolution Events.

- (a) The Partnership shall terminate and will be dissolved:
 - (i) on the Termination Date, if the General Partner fails to make a proposal pursuant to subsection 2.6(b), or if the General Partner makes such a proposal but the Limited Partners do not approve the proposal by Special Resolution or any such arrangement approved by the Limited Partners is not implemented by December 31, 2017;
 - (ii) 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
 - (iii) if prior to the foregoing dates, an event referred to in subsection 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.
- (b) The Partnership will not come to an end 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 subsection 9.1(a) above, the General Partner or its designee (or in the event of an occurrence described in subsection 9.1(a)(iii), 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 all of the Partnership's assets as promptly as reasonably possible. As part of the 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) pay or provide for the payment of the debts and liabilities of the Partnership (including, if applicable, any fees and expenses owing hereunder) 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 as to 99.99% to the Limited Partners in proportion to the number of Units held by them and as to 0.01% to the General Partner. The balance of such net assets in the form of securities shall be distributed by transfer of an undivided interest in such assets to the Partners, and the General Partner shall, if necessary, thereafter take steps to partition such undivided interests such that the Limited Partners receive 99.99% in proportion to the number of Units held by them and the General Partner receives 0.01% of such assets; 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 Partnership Act.
- (d) Except upon a 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 Part 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 subsection 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 General Partner will maintain the registrations necessary for the conduct of its business and will have the licences 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;
 - (ii) 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;
 - (iii) 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; and
 - (iv) the General Partner is not and will not be a "non-resident" for the purposes of the Tax Act.

10.2 Representations, Warranties and Covenants of Limited Partners.

Each Limited Partner represents, warrants and covenants to the General Partner and all the other Limited Partners that:

- (a) the Limited Partner has the capacity and good and sufficient power, authority and right to enter into this Agreement;

- (b) if an individual, the Limited Partner has obtained the age of majority and has the legal capacity and competence to execute this Agreement and to take all actions required pursuant hereto;
- (c) if a corporation or other body corporate, the Limited Partner has the legal capacity and competence to execute this Agreement and to take all actions required pursuant hereto and all necessary approvals by directors, shareholders and members of the Limited Partner, or otherwise, have been given to authorize it to execute this Agreement and to take all actions required pursuant hereto;
- (d) 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;
- (e) the Limited Partner is not a "non-Canadian", as that expression is defined in the *Investment Canada Act*; and
- (f) no interest in the Limited Partner is a "tax shelter investment" as that term is defined in the Tax Act;
- (g) 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; and
- (h) the Limited Partner will ensure that his or her status as described above will not be modified and he or she will not transfer his or her Units in whole or in part to any person who would be unable to make such representations and warranties.

10.3 Deemed Sale of Units.

A Limited Partner who is or 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 Canadian exploration expense, as defined in subsection 66.1(6) of the Tax Act, 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 Canadian exploration expense 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 Part 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 wilful misconduct in the performance of, or wilful 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 subsections 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 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
 - (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 *Partnership 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 caused by an act or omission of the General Partner or by the negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under this Agreement. 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 negligence or wilful misconduct in the performance of, or wilful 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 Indemnity of Registrar and Transfer Agent

Each of the General Partner, the Limited Partners and the Partnership will indemnify and hold harmless Meretsky Law Firm, acting in its capacity as registrar and transfer agent, from any and all losses,

liabilities, expenses and damages suffered by such party, except where such loss was caused by the negligence or wilful misconduct of Meretsky Law Firm.

11.4 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 subsection 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 Part 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 such other municipality 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 1% 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 20% 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 a proposal providing an alternative to the dissolution of the Partnership as set out in Section 2.6;
 - (v) approve the dissolution of the Partnership as required in subsection 9.1(a);
 - (vi) authorize the sale, lease, transfer or other disposition of all or substantially all of the assets of the Partnership;
 - (vii) authorize the actions described in subsection 6.2(e);
 - (viii) amend this Agreement as required in Part 13 hereof;
 - (ix) approve amendments to the investment criteria and restrictions set out in Section 2.5; and
 - (x) approve any transaction proposed to be made that is departs from or is inconsistent with the Business of the Partnership and the disclosed objectives described herein.
- (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*), 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, except as otherwise specifically provided herein, the procedures applicable to meetings of corporations that offer their securities to the public within the meaning of the *Business Corporations Act* (Alberta) 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 to this Part 13 may be made only with the unanimous consent of the Partners.
- (b) Notwithstanding subsection 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, 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:

333 Bay Street, Suite 650
Toronto, Ontario M5H 2R2
Fax: (877) 537-4071
Attention: President
e-mail: david@gravitasfinancial.com

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 publications once in any one or more newspapers published in the English language having general circulation in the City of Toronto, Ontario and City of Calgary, Alberta in each case to the extent required by applicable law.

- (d) An accidental omission in the giving of, or failure to give, a notice required by this Section 15.1 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 wilful misconduct in the performance of, or wilful 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 December 31, 2016, 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, 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 Part 16, 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 more than 50% of the equity shares of the General Partner or controlled in the same manner by the latter 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, by the execution hereof or of a counterpart hereof by such Limited Partner or other attorney on behalf of such Limited Partner, or by such Limited Partner's conduct in subscribing for Units or otherwise, or by other means, 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, 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;
- (b) all documents, instruments and certificates necessary to reflect any amendments to this Agreement which are approved pursuant to Part 13 hereof;
- (c) 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;
- (d) 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, or hold the Partnership's assets;
- (e) 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 Limited 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;
- (f) any instrument or document which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Partner;
- (g) 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; and
- (h) 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 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 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 the Subscription Agreement and Power of Attorney and Transfer Form and Power of Attorney, to the extent applicable (collectively, the "Power of Attorney") are coupled

with an interest, is irrevocable and will survive the death, disability, legal incapacity, mental infirmity or incompetence, or 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 defences 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) Each Limited Partner declares that the Power of Attorney may be exercised during any legal incapacity, mental infirmity or incompetence on such Limited Partner's part.
- (d) 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 therefor 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.

In the event that the Power of Attorney is executed by an agent acting on behalf of a Limited Partner, such Limited Partner hereby irrevocably acknowledges and confirms that he, she or it has authorized such agent to execute such Power of Attorney on his, her or its behalf. Each such Limited Partner and any 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 ten 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, executors, administrators, successors and permitted assigns of the parties hereto.

17.2 Time.

Time shall be of the essence of this Agreement.

17.3 Assignment.

This Agreement is not assignable in whole or in part without the consent of the other parties hereto.

17.4 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.

17.5 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.

17.6 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.

17.7 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.

17.8 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.

17.9 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 *Partnership Act*, such provision shall be deemed to be of no force and effect and severed from the remainder of this Agreement.

17.10 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 attorn 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.

GRAVITAS SELECT FLOW-THROUGH GP INC.

Per: _____

Authorized Signatory

Witness

)
)
)

David Carbonaro

SCHEDULE A

GRAVITAS SELECT FLOW-THROUGH L.P. II Transfer Form and Power of Attorney

I, the undersigned, a Limited Partner of GRAVITAS SELECT FLOW-THROUGH L.P. II (the "Partnership"), hereby transfer, assign and sell to:

(Name of Transferee)(the "transferee")

(Address and Postal Code)

_____ Unit(s) in the Partnership and constitute the above-named transferee as a substitute Limited Partner to the extent of the said number of Units. I agree to execute and deliver to the General Partner of the Partnership any documents required to effect a valid transfer of the said Units or which are necessary or advisable, in the opinion of the General Partner, to preserve the status of the Partnership as a limited partnership. I agree that the power of attorney previously granted by me to the General Partner will be effective for the purpose of executing and filing all certificates, amendments and other instruments necessary to give effect to this transfer.

Dated at _____ in the Province of _____ this ____ day of _____, ____.

(Guarantor)

(Signature of Limited Partner)

Surname

Given Name (Please Print)

Address (No Post Office Box)

City, Province and Postal Code

Notes:

1. The signature of the Limited Partner must be guaranteed by a Canadian chartered bank, a trust company or a member of the Investment Industry Regulatory Organization of Canada.
2. The Certificate representing the Units to be transferred must accompany this Transfer Form and Power of Attorney.
3. This transfer must be for a whole Unit or for whole Units. Transfers of fractional or partial Units will not be recognized or entered in the register of the Partnership.
4. A transfer of Units shall not be effective until the change has been recorded or filed, as applicable, pursuant to the *Partnership Act*. A transferee will become a Limited Partner for purposes of the Partnership Agreement only after the transfer has been recorded.

The transferee by execution hereof hereby accepts the within transfer and agrees to be bound, as a party to, and as a limited partner in the Partnership, by the terms of the limited partnership agreement (the "Partnership Agreement") made as of August 1, 2014 among GRAVITAS SELECT FLOW-THROUGH GP INC. (the "General Partner"), David Carbonaro (as Initial Limited Partner) and the Limited Partners from time to time. The transferee further acknowledges that he or she has received a copy of the Partnership Agreement and that the execution hereof shall be deemed to constitute execution by the transferee of a counterpart of the Partnership Agreement.

Terms denoted herein with capital letters and not otherwise defined have the meanings ascribed thereto in the Partnership Agreement, unless the context otherwise requires.

The transferee hereby represents and warrants to each other Partner that:

- (a) the transferee has the capacity and good and sufficient power, authority and right to enter into the Partnership Agreement;
- (b) if an individual, the transferee has obtained the age of majority and has the legal capacity and competence to execute the Partnership Agreement and to take all actions required pursuant thereto;
- (c) if a corporation or other body corporate, the transferee has the legal capacity and competence to execute the Partnership Agreement and to take all actions required pursuant thereto and all necessary approvals by directors, shareholders and members of the transferee, or otherwise, have been given to authorize it to execute the Partnership Agreement and to take all actions required pursuant thereto;
- (d) the transferee, 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;
- (e) the transferee is not a "non-Canadian", as that expression is defined in the *Investment Canada Act*;
- (f) no interest in the transferee is a "tax shelter investment" as that term is defined in the Tax Act;
- (g) the transferee 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;
- (h) the transferee is not a Resource Company which has entered into a Flow-Through Investment Agreement (as such terms are defined in the Partnership Agreement) with the Partnership nor does the transferee not deal at arm's length with any such Resource Company; and
- (i) the transferee will ensure that his or her status as described above will not be modified and he or she will not transfer his or her Units in whole or in part to any person who would be unable to make such representations and warranties.

The transferee covenants and agrees to promptly provide evidence of the foregoing representations and warranties at any time or times as the General Partner reasonably requires.

In consideration of the General Partner recording this transfer and conditional thereon, the transferee hereby agrees to be bound as a Limited Partner by the terms of the Partnership Agreement, as from time to time amended and in effect, and expressly ratifies and confirms the power of attorney given

to the General Partner therein and the transferee 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, swear to, acknowledge, deliver, make, record and file when, as and where required or appropriate, any and all of the following:

- (a) 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;
- (b) all documents, instruments and certificates necessary to reflect any amendments to the Partnership Agreement which are approved pursuant to Part 13 thereof;
- (c) 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;
- (d) 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;
- (e) 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 Limited 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;
- (f) any instrument or document which may be required to effect the continuation of the Partnership, or the admission of an additional or substitute Limited Partner; and
- (g) 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;
- (h) 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 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 the transferee in his or her Units or to execute any proxy on behalf of the transferee or to vote in respect of any Ordinary Resolution or any Special Resolution.

The grant of authority contained in this power of attorney is coupled with an interest, is irrevocable and will survive the death, disability, legal incapacity, mental infirmity or incompetence, or bankruptcy of the transferee or the transfer or assignment by the transferee of all or part of his or her interest in the Partnership and binds the heirs, executors, administrators, and other legal representatives

Dated at _____ in the Province of _____ this _____ day of _____, _____.

(Witness)

[illegible]

Surname Given Name (Please Print)

- (a) he/she is not a child of the transferee or a person whom the transferee has demonstrated a settled intention to treat as his/her child;
- (b) is not a person whose property is under guardianship or who has a guardian;
- (c) is not under the age of 18;
- (d) is not a spouse or a partner of the transferee (as such terms are used in the *Substitute Decisions Act* (Alberta));

- (e) has no reason to believe that the transferee is incapable of giving a continuing power of attorney; and
- (f) is not an officer, director or other representative of the General Partner.

Residence Address (if different than above) (No Post Office Box)

City, Province and Postal Code

Mailing Address (if different than above) (No Post Office Box)

City, Province and Postal Code

S.I.N. of Transferee

Alberta Corporation number of the Transferee, if any

TRANSFER ACKNOWLEDGED

this _____ day of _____, _____

MERETSKY LAW FIRM as Registrar and
Transfer Agent

Per: _____ c/s

**GRAVITAS SELECT FLOW-THROUGH
LIMITED PARTNERSHIP II** by its General
Partner, GRAVITAS SELECT FLOW-THROUGH
GP INC.

Per: _____ c/s