

**Amended and Restated
Confidential Offering Memorandum
April 30, 2013**

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



Private Placement - Continuous Offering

STACEY MUIRHEAD LIMITED PARTNERSHIP

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

The Units are being offered for sale to investors in Ontario and Alberta on a private placement basis in reliance on exemptions from the prospectus requirements contained in the securities legislation of the Offering Jurisdictions and will be subject to resale restrictions in the manner provided by such securities laws. See "Investing in Units of the Partnership - The Offering."

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

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

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

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

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

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

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SUMMARY OF THE OFFERING

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

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

Performance Fee

If the total of the Monthly Net Asset Value Increases in a calendar year exceeds the Average Risk Free Rate of Return for that year (determined on an annualized basis for Units not held for the full calendar year) the General Partner will be entitled to receive from each Limited Partner as a performance incentive fee an amount equal to 20% of the difference between the total of the Monthly Net Asset Value Increases in that year and the Risk Free Rate of Return for that year.

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

Expenses

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

Investment Objective

The investment objective of the Partnership is to maximize the average annual after-tax return on contributed capital for Limited Partners over the long term while minimizing the risk of permanent impairment of capital. Specifically, over long measurement periods, the General Partnership seeks to:

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

See "Investment Objective".

Investment Activities

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

- Long Term Investments; and
- Event Driven Investments; and
- Distressed Credit Investments; and
- Cash and Cash Equivalents; and
- Risk Mitigation Positions

See "Investment Activities".

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

- (a) other than as specifically set out in the Partnership Agreement and discussed below, invest more than one third of the total capital of the Partnership at any one time into any class or series of a class of securities of any issuer (other than treasury bills and other debt instruments guaranteed by a sovereign nation, state or province) based on cost at the time of the investment; or
- (b) cause the Net Worth of the Partnership to be less than 2/3 of the sum of the Liabilities and the Net Worth of the Partnership

See "Investment Restrictions".

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

See "Limited Liability."

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

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

Redemption of Units

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

Transfer of Units

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

Distributions

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

Unitholder Reports

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

Income Tax Considerations

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

Termination of Partnership

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

See "Termination of the Partnership".

Risk Factors

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

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

GLOSSARY OF TERMS

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

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

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

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

“Business Hours” means, 8:30 a.m. to 4:30 p.m. on any Business Day;

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

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

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

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

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

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

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

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

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

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

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

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

“Partnership” means, Stacey Muirhead Limited Partnership;

“Partnership Agreement” means, the amended and restated limited partnership agreement dated April 30, 2013 between the General Partner and Jeffrey D. Stacey as limited partner, as amended from time to time;

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

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

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

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

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

THE PARTNERSHIP

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

Limited Partners

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

The General Partner

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

INVESTMENT OBJECTIVE AND ACTIVITIES OF THE PARTNERSHIP

Investment Objective

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

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

Investment Activities

The Investment Philosophy is based on a global, value oriented, multi strategy approach to investing. The essence of this investment philosophy is to purchase securities at market prices significantly below their intrinsic business value as determined by the General Partner.

At most times, the majority of the Partnership’s investment portfolio consists of marketable common shares of various issuers, but from time to time may also include other types of financial instruments including debt securities, preferred shares, convertible securities, options,

futures, currency instruments, precious metal certificates or bullion. Other investment activities undertaken by the Partnership may include the short sale of various financial instruments either separately in an attempt to derive gains or as part of a hedging program or strategy. In addition, the Partnership may undertake the negotiated or market purchase of entire or controlling interests in businesses which are consistent with the General Partner's Investment Philosophy.

The principal investment activities of the Partnership include the following:

1. **Long Term Investments** – The purchase of marketable securities in the form of common shares in businesses which are available at market prices significantly below their intrinsic business value as determined by the General Partner.
2. **Event Driven Investments** – Event Driven Investing involves the pursuit of profits from an announced corporate event such as the sale, merger, recapitalization, reorganization or liquidation of a company. It can also involve spinoffs and self tender offers by a company or other event specific special situations. The General Partner only participates in Event Driven Investments that have been publicly announced. Where possible, the General Partner attempts to reduce risk through some sort of hedge.
3. **Distressed Credit Investments** – The Partnership makes commitments to high yield and distressed positions. High yield commitments involve purchasing a security that is meeting its interest or dividend obligations but is available for purchase at a distressed price that provides an extremely attractive annual yield. Distressed position commitments involve the purchase of a security in an issuer that has already defaulted on one or more of its obligations but is available at a price that ensures a significant margin of safety when the issuer reorganizes its affairs.
4. **Cash and Cash Equivalents** – Rather than deploying Partnership capital into opportunities that the General Partner considers to be of inferior quality or with unfavourable risk reward characteristics, the General Partner will keep such excess capital in cash and cash equivalents, usually short term treasury bills, while continuing to search for superior return opportunities into which to allocate Partnership capital. On occasion, the General Partner may purchase longer term government bonds as well.
5. **Risk Mitigation Positions** – The General Partner will consider all viable methods to reduce Partnership risks associated with adverse movements in foreign exchange values, equity prices, interest rates and any other risks that can be identified. This includes the purchase or sale of various derivative instruments from time to time

INVESTMENT RESTRICTIONS

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

- (a) invest more than one third of the total capital of the Partnership at any one time into any single class or series of a class of securities of any issuer (other than treasury bills and other debt instruments guaranteed by a sovereign nation, state or province) based on cost at the time of the investment; or

- (b) incur Liabilities in an amount greater than 50% of the Net Worth of the Partnership.

RISK FACTORS

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

Investment Activities

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

Concentration of Investment Positions

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

Liquidity

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

Foreign Exchange Risks

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

Use of Leverage

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

Short Sale Equity Positions

The Partnership may take short sale positions without maintaining an equivalent quantity or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. The General Partner will engage in these transactions in circumstances where it has concluded that a particular security is over-valued in its principal markets or as hedge against other positions in

the Partnership's portfolio. There can be no assurance that the security will experience declines in market value and this could result in the Partnership incurring losses if it has agreed to deliver securities at a price which is lower than the market price at which such securities may be acquired at the time the transaction is to be completed.

Interest Rate Fluctuations

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

Low Rated or Unrated Debt Obligations

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

Tax Risks

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

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

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

U.S. Tax Risk

Pursuant to U.S. tax rules under the *Foreign Account Tax Compliance Act* (FATCA), the Partnership may be required to obtain certain information and documentation from its investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and disclose such information and documentation to the U.S. tax authorities in order to avoid a U.S. withholding tax being imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Partnership or on certain amounts (including distributions) paid by the Partnership to certain unitholders (provided the Partnership itself satisfies certain additional requirements imposed under FATCA). The foregoing rules and requirements may be modified by an intergovernmental agreement, future U.S. Treasury regulations, or other guidance.

Competition

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

Losses and Expenses

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

Conflicts of Interest

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

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

Performance Incentive Fee

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

Early Liquidation of Investment Positions

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

Regulatory Environment

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

Use of Derivatives

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

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

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

MANAGEMENT OF THE PARTNERSHIP

Investment Management

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

Management Fee

In consideration for its investment management and administrative services, the General Partner receives a management fee of a maximum of 1% per annum of the Net Asset Value of the Partnership, calculated and payable monthly. The General Partner reserves the right to decline any or all or otherwise reimburse to the Partnership such management fee owing or paid at any time. Additionally, the General Partner reserves the right to pay any portion of any management fee received by it at any time to any Limited Partner as a rebate of the amount paid by such Limited Partner for investment management and administrative services. Such management fee will be deducted as an expense of the Partnership in the calculation of the net gains or losses of the Partnership.

Performance Incentive Fee

If the total of the Monthly Net Asset Value Increases of the Partnership in any year exceeds the Average Risk Free Rate of Return for that year (determined on an annualized basis for Units not held for the full calendar year) the General Partner will be entitled to receive from the Limited Partners a performance incentive fee (the "Performance Incentive Fee"). In each month in which there is a Monthly Net Asset Value Increase, an amount equal to 20% of such Monthly Net Asset Value Increase, less 1/12 of the Risk Free Rate of Return for that month shall be subtracted from the accounts of each Limited Partner and accrued on the books of the Partnership, subject to adjustment in subsequent months, for payment to the General Partner at the end of that year.

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

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

Expenses

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

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

INVESTING IN UNITS OF THE PARTNERSHIP

The Offering

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

Purchase of Units

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

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

Minimum Investment

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

Additional Investments

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

Additional investments in the Partnership by Limited Partners who are purchasing Units pursuant to the "minimum amount investment" exemption in section 2.10 of NI-45-106 are permitted in amounts as established from time to time by the General Partner.

NON RESIDENTS

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

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

PARTNERSHIP UNITS

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

TRANSFER OF UNITS

Any transfer by Limited Partners of their Units is prohibited by the Partnership Agreement, except in the case whereupon his or her Units are assigned by operation of law and, upon satisfaction of the conditions set forth in the Partnership Agreement, his or her assignee shall become a Limited Partner. The General Partner also has the right to approve a transfer of Limited Partner's Units, if such transfer in the opinion of the General Partner will not have an adverse affect on the rights of any Limited Partner. Accordingly, except in the case of assignments by operation of law, if a Limited Partner purports to sell, assign, transfer, mortgage, pledge, hypothecate, grant a security interest in, or otherwise encumber, the whole or any portion of his or her Units, any such action by that Limited Partner shall be void, and any assignee of such Units shall not become a Limited Partner under the Partnership Agreement, or otherwise acquire any rights of a Limited Partner whatsoever, and the General Partner shall treat any such transaction as not having occurred.

DISTRIBUTIONS

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

NET ASSET VALUE CALCULATION

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

RESALE RESTRICTIONS

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

REDEMPTION OF UNITS

On each Valuation Day, Limited Partners may redeem all or a portion of their Units upon providing prior written notice to the General Partner at the Net Asset Value per Unit as determined on the next Valuation Day following the expiration of the notice period (after accounting for the accrual of the Performance Incentive Fee payable in respect of the Units being redeemed). If, upon a redemption, the Net Asset Value of Units held at that time will be

less than such minimum amount as determined by the General Partner from time to time, the General Partner shall have the right to require such Limited Partner to redeem all of the Units owned by such Limited Partner by notice in writing to the Limited Partner given before the date set for redemption. There will be no charges associated with voluntary or involuntary redemptions.

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

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

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Partnership and the General Partner, the following is a fair summary of the principal Canadian federal income tax considerations of acquiring, holding and disposing of Units in the Partnership generally applicable to a purchaser of Units pursuant to this offering who, for the purposes of the Tax Act, is an individual (other than a trust) who (i) is or is deemed to be a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention, (ii) holds Units as capital property (iii) has not made a foreign currency reporting election under the Tax Act, (iv) and who deals with the Partnership and the General Partner at arm's length and is not affiliated with the Partnership or the General Partner. This summary assumes that not more than 50% of the fair market value of all Units in the Partnership will be held by one or more persons who are "financial institutions" as defined in section 142.2 of the Tax Act. This summary also assumes that Units in the Partnership will not be listed or traded on a stock exchange or any other public market with the result that the rules in the Tax Act that impose tax on specified investment flow through ("SIFT") partnerships will not apply to the Partnership."

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

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

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

Computation of Partnership Income or Loss

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

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

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

Computation of Income of Limited Partners

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

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

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

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

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

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

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

Where a transferee acquires a Unit from a transferor other than the Partnership, the cost to the transferee of such Unit for purposes of determining the relevant at-risk amount is the lesser of the transferee's cost of such Unit and the transferor's adjusted cost base of such Unit. Where the adjusted cost base of the transferor cannot be determined, the at-risk amount of the transferee is nil.

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

October 31, 2003 Proposals

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

Offshore Investment Fund Property Rules

On March 4, 2010, the Minister of Finance (Canada) announced as part of the 2010 Canadian Federal Budget that the outstanding Tax Proposals regarding investments in "foreign investment entities" would be replaced with revised Tax Proposals under which the existing rules in section 94.1 of the Tax Act relating to investments in "offshore investment fund property" ("OIFP Rules") would remain in place subject to certain limited enhancements. On November 21, 2012, the Minister of Finance (Canada) introduced Bill C-48 in the House of Commons that contained the revised Tax Proposals.

In general, in order for the OIFP Rules to apply (i) a taxpayer must hold or have an interest in a non-resident entity (as defined in the Tax Act for purposes of the OIFP Rules) that may reasonably be considered to derive its value, directly or indirectly, primarily from certain portfolio investments listed in the Tax Act, and (ii) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for acquiring, holding or having the interest, was to benefit from an investment in the portfolio investments in such a manner that the taxes on the income, profits and gains therefrom, for any particular year, are significantly less than the tax that would have been applicable if such income, profits and gains had been earned directly. Limited Partners to whom the application of the OIFP Rules may be relevant are advised to consult with their own tax advisors having regard to such Limited Partner's particular circumstances.

Tax Shelter and Tax Shelter Investment Rules.

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

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

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

Disposition of Units

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

Act, and certain other persons described in the Tax Act, may give rise to adverse consequences to the transferor.

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

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

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

Filing and Reporting Requirements.

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

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

Tax Shelter Identification Number

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

Eligibility for Investment by Deferred Income Plans

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

LIMITED LIABILITY

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

The LPA provides, in effect, that a Limited Partner benefits from limited liability unless, in addition to exercising his rights and powers as a limited partner, he takes part in the control of the business of the Partnership. The liability of each Limited Partner is limited to the capital that he has contributed or agreed to contribute to the Partnership plus his pro rata portion of any undistributed income of the Partnership. Where a Limited Partner has received the return of all or part of his contribution, he is nevertheless liable to the Partnership or, where the Partnership is dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. In order that the liability of the Limited Partners be limited to the extent described, certain legal requirements under the LPA must be satisfied. The General partner will endeavour to make all necessary recordings and filings under applicable legislation.

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

REPORTING TO LIMITED PARTNERS

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

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

MEETINGS OF LIMITED PARTNERS

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

A quorum for any meeting is two Limited Partners in person or represented by proxy holding, in the aggregate, not less than 25% of the total number of outstanding Units. If a quorum is not present, the meeting will be adjourned to a date not less than 15 business days and not more than 30 business days later, and a quorum at such adjourned meeting will be the number of Limited Partners present in person or represented by proxy at the adjourned meeting.

APPROVAL OF LIMITED PARTNERS

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

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

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

TERMINATION OF THE PARTNERSHIP

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

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

AUDITORS

The General Partner shall be responsible for appointing the Auditors for the Partnership. The General Partner may not appoint the same auditor for both the Partnership and the General Partner. The Auditors may be replaced by Extraordinary Resolution of the Limited Partners provided that any replacement appointed by the Limited Partners is a member in good standing of the Canadian Institute of Chartered Accountants.

MATERIAL CONTRACTS

The only material contract entered into, or to be entered into, by the General Partner or the Partnership, excluding contracts entered into in the usual course of business, is the Partnership Agreement. Copies of the Partnership Agreement may be inspected at the head office of the General Partner during business hours on any business day.

PROMOTER

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

STATUTORY AND CONTRACTUAL RIGHTS OF ACTION

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

MONEY LAUNDERING AND TERRORIST FINANCING

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

CERTIFICATE OF ISSUER

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

Dated at Waterloo, Ontario, the 30th day of April, 2013.

STACEY MUIRHEAD CAPITAL MANAGEMENT LTD.

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

Jeffrey D. Stacey (signed)

Jeffrey D. Stacey
President

CERTIFICATE OF PROMOTER

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

Dated at Waterloo, Ontario, the 30th day of April, 2013.

STACEY MUIRHEAD CAPITAL MANAGEMENT LTD.

Jeffrey D. Stacey
President

SCHEDULE 1.

STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

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

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

Ontario

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

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

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

a Canadian financial institution, meaning either:

- (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under that Act; or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial

services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada),
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

General

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