

CONFIDENTIAL OFFERING MEMORANDUM

DATE: February 20, 2018

THE ISSUER: Gravitas Special Situations Fund (the "Issuer")

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Toronto, Ontario, M5H 2R2

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Currently Listed or Quoted: **These securities do not trade on any exchange or market.** The Issuer is not currently listed or quoted on any stock exchange. The Issuer is not a reporting issuer in any jurisdiction and is not a SEDAR filer.

THE OFFERING:

Securities Offered: An unlimited number of Class A Trust Units, Class F Trust Units and Class O Trust Units (collectively, the "Trust Units") are being issued by the Issuer on a continuous basis. Each Class of Trust Units shall have the attributes and characteristics as set out in ITEM 5.

Price per Security: The initial subscription price is \$10.00 per Trust Unit for the initial Closing. The subscription price for subsequent Closings will be the Net Asset Value of the Class of Trust Unit being subscribed for, calculated as of the applicable Valuation Date. See further details in ITEM 5.

Minimum/Maximum Offering: **There is no minimum.** You may be the only purchaser. There is also no maximum as this is a continuous offering. **Funds available under the Offering may not be sufficient to accomplish the Issuer's proposed objectives.**

Minimum Subscription Amount: Minimum purchase per subscriber of \$5,000 (initially 500 Trust Units) provided, however, the Issuer shall have the discretion to accept subscriptions in lower amounts if the Issuer deems it necessary or reasonable in the circumstances.

RRSP Eligibility: Each of the Trust Units may be eligible investments for Exempt Plans (as hereinafter defined). See ITEM 6.

Payment Terms: Certified cheque or bank draft payable to the Issuer or to "Gravitas Securities Inc., in trust" in full payment of the subscription price per Trust Unit subscribed for is due upon execution and delivery of the Subscription Agreement. See Schedule "B". **All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated.**

Proposed Closing Date(s): The initial Closing is scheduled for on or about March 30, 2018 or such later or earlier date as may be determined by the Issuer. Subsequent Closings may take place at later dates as may be determined by the Issuer. See ITEM 1.

Income Tax Consequences: There are important tax consequences relating to the ownership of these securities. You should consult your own professional tax advisors to obtain advice respecting any tax consequences applicable to you. See ITEM 6.

Selling Agents: Yes. Agents (including: (i) Gravitas Securities Inc., a registered dealer; and (ii) other registered dealers, as may be appointed from time to time) will offer the Trust Units for sale pursuant to this Offering Memorandum. **The Agents may receive certain fees in connection with the selling of the Trust Units, all in accordance with the terms of the Agency Agreement. Gravitas Securities Inc. is also the Manager of the Issuer and will be entitled to receive certain management and performance fees pursuant to the terms of the Management Agreement.** Gravitas Securities Inc., at its discretion, may elect to share its fees with other qualified registered dealers. See 0 and ITEM 7.

RESALE RESTRICTIONS: **You will be restricted from selling your securities for an indefinite period.** See ITEM 10.

PURCHASER'S RIGHTS: You have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See ITEM 11.

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

There is not or may not be a market for you to sell your investment and there is no assurance that you will be able to find a buyer for this investment at a later date. See ITEM 10.

SCHEDULES

The following Schedules are attached to and form a part of this Offering Memorandum:

Schedule "A"	-	Trust Indenture
Schedule "B"	-	Trust Units Subscription Agreement
Schedule "C"		Financial Statements of the Issuer

GENERAL

This Offering Memorandum constitutes an offering of the Trust Units only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell the Trust Units and only to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority has passed on the merits of the Trust Units nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the Trust Units.

This Offering Memorandum is confidential. The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered hereby. By accepting a copy of this Offering Memorandum, the recipient agrees that neither it, nor any of its representatives or agents, shall use the Offering Memorandum or the information contained herein for any other purpose, or divulge it to any other party and shall return all copies of the Offering Memorandum to the Issuer promptly upon request.

The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered hereby. Prospective investors should rely only on the information in this Offering Memorandum, including the information incorporated herein by reference. No persons are authorized to give any information or make any representation in respect of the Issuer, the Manager or the securities offered herein and any such information or representation must not be relied upon.

This Offering is a private placement and is not, and under no circumstances is to be construed as, a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the registration and prospectus requirements set forth in Applicable Securities Laws.

The Trust Units offered hereunder will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, if ever, a Unitholder will not be able to trade the Trust Unit unless it complies with very limited exemptions from the prospectus and registration requirements under Applicable Securities Laws. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction in Canada, these trading restrictions will not expire. Consequently, Unitholders may not be able to liquidate their Trust Units in a timely manner, if at all, or pledge their Trust Units as collateral for loans. See "*ITEM 10 – Resale Restrictions*".

The Trust Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any applicable state securities laws. Accordingly, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and state securities laws, the Units may not be offered or sold within the U.S. or to, or for the account or benefit of, "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

INTERPRETATION

Words importing the singular number only include the plural and *vice versa*, and words importing the masculine, feminine or neuter gender include the other genders.

CONFLICTS OF INTEREST AND RISK FACTORS

There are conflicts of interest between the Issuer, the Trustee and the Manager as it relates to this Offering and the administration of the Issuer. The Trustee and the Manager earn fees from the ongoing management of the Issuer's investment portfolio. Details of the fees earned by the Trustee and the Manager are fully disclosed elsewhere in this Offering Memorandum.

The Issuer may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory, distribution and other business activities. The services of the Manager are not exclusive and nothing in the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Issuer) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning the allocation of time by the Manager to the Issuer. The personnel of the Manager will devote such time to the affairs of the Issuer as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Issuer. As a registered dealer, the Manager intends to sell interests in related trusts, limited partnerships and other pooled funds organized by the Manager.

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

The Manager and its officers and employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest. The Manager has in place systems to monitor the personal trading and other business activities of its officers and employees. The Manager is the portfolio manager to the Issuer and, to the extent permitted by securities legislation, the Issuer may from time to time invest in underlying companies who are also the Manager's investment banking clients. In such instances, the Manager will make every effort to comply with conflicts of interest disclosures and regulations to minimize the conflict including efforts to ensure that the portfolio manager is not also involved in ongoing investment banking transactions for the underlying assets.

The Issuer may also be subject to various conflicts of interest due to the fact that the Trustee is engaged in a wide variety of other business activities. The services of the Trustee are not exclusive and nothing in the Trust Indenture or any other agreement prevents it from providing similar services to other clients (whether or not their investment objectives and policies are similar to those of the Issuer) or from engaging in other activities. The Trust Indenture does not impose any specific obligations or requirements concerning the allocation of time by the Trustee to the Issuer. The Trustee will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest and will make every effort to comply with conflicts of interest disclosures and regulations to minimize any such conflicts.

There are also numerous risks involved in the investment in the Trust Units. Potential investors should review these conflicts of interest and risks before investing in the Trust Units.

See "*0 – Interest of Directors, Management, Promoters and Principal Holders*" and "*ITEM 8 – Risk Factors*".

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum as they relate to the Issuer and the Manager and their respective views or predictions about possible future events or conditions and their business operations and strategy constitute "forward-looking statements" within the meaning of that phrase under Applicable Securities Laws. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "does not anticipate", "continue", "estimate", "expect", "is not expected", "may", "could", "might", "will", "project", "should", "believe", "does not believe", "budget", "plan", "forecast", "potential", "intend" and similar expressions are intended to identify forward-looking statements. Such statements in this Offering Memorandum include, among others, statements regarding the intended use of proceeds of the Offering; the anticipated activities of the Issuer and the Manager and the strategy by which they expect to achieve their objectives; the business, operation and other costs to be incurred in the operation and management of the business, the material agreements to be entered into and their terms; and potential investments. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information, if any. Those assumptions and factors are based on information currently available to the Issuer including information obtained from third party sources. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable and represent the Issuer's expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause the Issuer's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, fluctuating interest rates, ability to raise financing and fund capital expenditures and changes in government regulations or in tax laws, in addition to those factors specifically discussed or referenced in "*ITEM 8 - Risk Factors*". These factors should not be considered exhaustive. Many of these risk factors are beyond the Issuer's control and each contributes to the possibility that the forward-looking statements will not occur, or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Issuer's assessment of all information available at that time.

The forward-looking statements made herein relate only to events or information as of the date of this Offering Memorandum and are expressly qualified by this cautionary statement. Except as required by law, the Issuer undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

GLOSSARY OF DEFINED TERMS:

The following terms used in this Offering Memorandum have the respective meanings ascribed to them below. Unless the context otherwise requires, any reference in this Offering Memorandum to any agreement, instrument, indenture or other document shall mean such, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future:

"**ABCA**" means the *Business Corporations Act* (Alberta) and the regulations thereunder, as amended from time to time;

"**affiliate**" has the meaning ascribed thereto under the *Securities Act* (Alberta);

"**Agents**" means GSI and such other persons who are appointed as agents by the Issuer from time to time including registrants who are entitled to sell exempt securities under Applicable Securities Laws (such as exempt market dealers and other registered dealers);

"**Agency Agreement**" means the agency agreement dated January 24, 2018 between the Issuer and GSI;

"**Applicable Securities Laws**" means, collectively, all applicable securities laws of the Selling Jurisdictions and the respective regulations, rules, policies and orders thereunder together with all applicable published orders and rulings of the Securities Regulatory Authorities in such jurisdictions;

"**Business Day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Toronto, Ontario are not open for business;

"**Class**" means a particular class of Trust Units, as may be applicable in the context. Each Trust Unit of a class will have equal value, but may differ in value from Trust Units in another Class and each Class of Trust Units may have different rights and restrictions, different fee and dealer compensation terms and different minimum subscription levels;

"**Class A Trust Units**" means those trust units of the Issuer designated as Class A trust units and which will be offered to Subscribers who are not eligible to purchase Class F Trust Units or Class O Trust Units. For further details on the rights, restrictions and terms of the Class A Trust Units see "*ITEM 5 - Securities Offered - Terms of Securities*";

"**Class F Trust Units**" means those trust units of the Issuer designated as Class F trust units and which will be offered to (i) Subscribers who participate in fee-based programs through eligible registered dealers; (ii) Subscribers in respect of whom the Issuer does not incur distribution costs; and (iii) qualified Subscribers in the Manager's sole discretion. For further details on the rights, restrictions and terms of the Class F Trust Units see "*ITEM 5 - Securities Offered - Terms of Securities*";

"**Class O Trust Units**" means those trust units of the Issuer designated as Class O trust units and which will be issued to institutional Subscribers at the discretion of the Manager. The Manager will negotiate the terms of purchase of the Class O Trust Units with each prospective Subscriber, including the Management Fee and the Performance Fee that will be paid by the Issuer in respect of such Subscriber's Class O Units. For further details on the rights, restrictions and terms of the Class O Trust Units see "*ITEM 5 - Securities Offered - Terms of Securities*";

"**Closing**" means the first closing of the Trust Units offered hereby, which is anticipated to occur on or about March 30, 2018, or such later or earlier date as may be determined by the Issuer. Subsequent closings will take place at later dates as may be determined by the Issuer;

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

"**Distribution Payment Date**" means the last day of each fiscal year of the Issuer;

"**Distribution Period**" means each fiscal year of the Issuer, or such other periods in respect of the Trust Units as may be determined from time to time by the Trustee in accordance with the terms of the Trust Indenture;

"**Distribution Record Date**" means the last Business Day of each Distribution Period;

"**Exempt Plan**" means a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan, registered disability savings plan or tax-free savings account ("**TFSA**") (all within the meaning of the Tax Act), collectively referred to herein as "**Exempt Plans**";

"**Extraordinary Resolution**" means: (i) a resolution passed by more than 75% of the votes cast by those Limited Partners entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Limited Partners, at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or (ii) a resolution

approved in writing, in one or more counterparts, by holders of more than 75% of the votes represented by those limited partnership units entitled to be voted on such resolution;

"**GFI**" means Gravitas Financial Inc., a public financial services, research and analytics company based in Toronto, Canada, which provides capital market advisory services to private and public company clients;

"**GMC**" means Gravitas Mining Corporation, a private merchant bank based in Toronto, Canada that makes direct investments into mining related companies and that also provides strategic capital market advisory and mining consultancy services;

"**GSI**" means Gravitas Securities Inc., an investment dealer regulated by IIROC;

"**IFRS**" means the International Financial Reporting Standards applicable to the business of the Issuer, as such principles are established and revised by the International Accounting Standards Board (or any successor organization) from time to time, applied on a consistent basis;

"**IIROC**" means the Investment Industry Regulatory Organization of Canada;

"**Issue Expenses**" means the expenses of the Offering which includes a fee of 0.75% of the gross proceeds from the sale of Trust Units under the Offering payable to the Manager (as partial reimbursement to cover items such as expenses in connection with the organization of the Issuer, the preparation of this Offering Memorandum, initial legal and audit expenses of the Issuer and marketing expenses) and a possible additional fee of 1% of the gross proceeds from the sale of Trust Units under the Offering payable to certain dealers for dealer platform and distribution override fees;

"**Issuer**" means Gravitas Special Situations Fund;

"**Issuer Services**" shall have the meaning ascribed thereto under "*ITEM 2.7- Material Agreements – Management Agreement*";

"**Lock-up Period**" means the period beginning on the date the Trust Unit was issued and expiring on the date that is the first anniversary thereafter;

"**Management Agreement**" means the portfolio manager and investment fund manager agreement dated January 24, 2018 between the Manager and the Issuer;

"**Management Fee**" means collectively, the Class A Management Fee, the Class F Management Fee and the Class O Management Fee, or such other management fees payable in respect of the applicable Class of Trust Units as may be applicable in the context, all as further described in "*ITEM 2 - Business of the Issuer - Fees and Expenses*";

"**Manager**" or "**GSI**" means Gravitas Securities Inc., an investment dealer regulated by IIROC;

"**Net Asset Value**" means the net asset value of each Class of Trust Units, being the then fair market value of the assets of the Issuer attributable to each Class of Trust Units at the time the calculation is made less the aggregate amount of the liabilities of the Issuer attributable to that Class, including accruing fees or liabilities as are to be taken into account as determined from time to time by the Manager. The net asset value per Trust Unit will be the quotient obtained by dividing the amount equal to the net asset value of each Class of Trust Units by the total number of Trust Units of each Class outstanding, including fractions of Trust Units;

"**Net Income**" or "**Net Loss**" of the Issuer for any taxation year means the income or loss of the Issuer for such year computed in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Issuer thereunder; provided, however, that (i) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Tax Act; (ii) if any amount has been designated by the Issuer under subsection 104(19) of the Tax Act, such designation shall be disregarded; (iii) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Tax Act) of the Issuer for any preceding years, and Net Income of the Issuer for any period means the income of the Issuer for such period computed in accordance with the foregoing as if that period were the taxation year of the Issuer;

"**Net Realized Capital Gains**" of the Issuer for any taxation year of the Issuer shall be determined as the amount, if any, by which the aggregate of the capital gains of the Issuer for the year exceeds (i) the aggregate of the capital losses of the Issuer for the year, (ii) any capital gains which are realized by the Issuer as a result of a redemption of Trust Units pursuant to the terms of the Trust Indenture; and (iii) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Issuer is permitted by the Tax Act to deduct in computing the taxable income of the Issuer for the year, all as computed in accordance with the provisions of the Tax Act;

"Non-resident" means a person who, at the relevant time, is not resident in Canada within the meaning of the Tax Act and includes a partnership that is not a Canadian partnership within the meaning of the Tax Act;

"Offering" means the offering of Trust Units by way of private placement as described herein;

"Offering Memorandum" means this confidential offering memorandum, including any amendment hereto;

"Ordinary Resolution" means: (i) a resolution passed by more than 50% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or (ii) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Trust Units entitled to be voted on such resolution;

"Performance Fee" has the meaning ascribed thereto in "*ITEM 2- Business of the Issuer - Fees and Expenses - Performance Fees*";

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"Regulations" means regulations made under the Tax Act;

"Securities Regulatory Authorities" means, collectively, the securities commissions or similar securities regulatory authorities in the Selling Jurisdictions;

"Selling Jurisdictions" means the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, and such other jurisdictions as the Issuer may determine;

"Special Resolution" means: (i) a resolution passed by more than 66 2/3% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution; or (ii) a resolution approved in writing, in one or more counterparts, by holders of more than 66 2/3% of the votes represented by those Trust Units entitled to be voted on such resolution;

"Subscriber" means a Person acquiring Trust Units pursuant to the Offering described herein;

"Subscription Agreement" means the subscription agreement to be completed by Subscribers, attached as Schedule "B" hereto;

"Subscription Price" means \$10.00 per Trust Unit for the initial closing scheduled for March 30, 2018, or such earlier or later date as may be determined by the Issuer, and for all subsequent closings, the subscription price per Trust Unit will be the applicable Net Asset Value of the particular Class of Trust Units as at the applicable Valuation Date in the fiscal quarter in which the subscription for such Trust Units is accepted by the Issuer;

"Subscription Proceeds" means the gross monies received by the Issuer in consideration for the issuance of Trust Units under the Offering;

"Tax Act" means the *Income Tax Act* (Canada), as amended from time to time;

"Trailer Fees" means trailer fees payable by GSI to registered dealers quarterly in arrears, based on the Subscription Proceeds attributable to the Class of Trust Units held in each registered dealer's client accounts in each applicable quarter, in an amount equal to 1/4 of 1.0% per annum in respect of Class A Trust Units. For clarity, no trailer fees are paid in respect of the Class F Trust Units or the Class O Trust Units. The Manager may increase, waive or reduce such Trailer Fees at any time in its sole discretion. See "*ITEM 7 – Compensation Paid to Sellers and Finders*";

"Trust Indenture" means the agreement between the Trustee and the settlor dated January 24, 2018, as may be amended or supplemented, in the form attached hereto as Schedule "A";

"Trustee" means Chris Guthrie, an individual residing in the City of Toronto, in the Province of Ontario, who as the trustee for and on behalf of the holders of Trust Units of the Issuer, will manage the business and affairs for the Issuer, distributing payments, and conducting, when required, meetings of holders of Trust Units respecting decisions in relation to the Trust Indenture;

"Trust Property", at any time, means all of the money, properties and other assets of any nature or kind whatsoever as are, at such time, held by the Issuer or by the Trustee on behalf of the Issuer;

"Trust Units" means the Class A Trust Units, Class F Trust Units and/or Class O Trust Units, as may be applicable in the context, and which entitle the holders thereof to: (i) on a Distribution Record Date, an amount equal to the Net Income of the Issuer for the Distribution Period; (ii) on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Issuer for the Distribution Period; and (iii) upon termination of the Issuer, to the remaining property of the Issuer *pro rata* with the holders of Trust Units of the Class in accordance to the aggregate number of Trust Units of the Class owned by such holder. In addition to the above, on the last day of each fiscal year, an amount equal to the Net Income of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, *pro rata* in accordance with the number of Trust Units of the Class then held. Further, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, *pro rata* in accordance with the number of Trust Units of the Class then held, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Issuer would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Issuer ending in such fiscal year. For greater certainty, it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Issuer be paid or payable to Unitholders in each fiscal year so that the Issuer is not liable to pay tax under Part I of the Tax Act for the taxation year of the Issuer ending in such fiscal year. See *"ITEM 2- Business of the Issuer – Material Agreements – Trust Indenture"* and *"ITEM 5 - Securities Offered"*;

"Unitholder" means a holder of Trust Units of whichever Class, and **"Unitholders"** means all holders of Trust Units of whichever Class, each as may be applicable in the context;

"U.S." means the United States of America; and

"Valuation Date" means the last Business Day of every fiscal quarter and such other Business Day(s) as the Manager may determine.

In this Offering Memorandum, references to "we", "us", "our", "the Issuer" and other similar terms refer to Gravitax Special Situations Fund and not to any other entity.

All references to currency herein are references to lawful money of Canada unless specifically stated otherwise.

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CONFIDENTIAL OFFERING MEMORANDUM
Gravitas Special Situations Fund
(the "Issuer")

There are conflicts of interest between the Issuer, the Trustee and the Manager as it relates to this Offering and the administration of the Issuer. There are also numerous risks involved in the investment in the Trust Units. Potential Subscribers should review these conflicts of interest and risks before investing in the Trust Units. See "0 –Interest of Directors, Management, Promoters and Principal Holders" and "ITEM 8 – Risk Factors".

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the net proceeds of the Offering after deduction of the costs associated with the Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this Offering	\$0	\$25,000,000
B	Fees ⁽¹⁾	N/A	Nil
C	Estimated Offering costs (e.g. legal, accounting, audit and marketing) ⁽²⁾	N/A	\$187,500
D	Available funds: D = A - (B+C)	N/A	\$24,812,500
E	Additional Sources of funding required	N/A	Nil
F	Working Capital Deficiency	N/A	Nil
G	Total: G = (D+E) – F	N/A	\$24,812,500

Notes:

- (1) There are no selling commissions payable in respect of the Offering however, the Issuer has agreed to pay to GSI the Trailer Fees based on the gross proceeds from the Trust Units sold by GSI sold under the Agency Agreement. See "ITEM 7 – Compensation to Sellers and Finders".
- (2) This represents a portion of the Issue Expenses, being a fee of 0.75% of the gross proceeds from the sale of Trust Units payable to the Manager as partial reimbursement to cover items such as expenses in connection with the organization of the Issuer, the preparation of this Offering Memorandum, initial legal and audit expenses of the Issuer and marketing expenses.
- (3) In addition to the above, the Manager will be entitled to receive the Management Fee and Performance Fee pursuant to the terms of the Management Agreement. See "ITEM 2 - Business of the Issuer - Fees and Expenses" and "ITEM 2.7- Material Agreements – Management Agreement".

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Issuer will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Invest in a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United State in order to generate capital growth ⁽¹⁾	\$0	\$24,500,00
Reserves, working capital and other day to day operating expenses	\$0	\$312,500
Total:	\$0	\$24,812,500

Note:

- (1) All of the net proceeds of the Subscription Proceeds will be invested in accordance with its investment objectives, strategies, restrictions and policies as set out in this Offering Memorandum. See "ITEM 2– Business of Issuer".

1.3 Reallocation

The Issuer intends to spend the net proceeds as stated. The Issuer will reallocate funds only for sound business reasons. See "*ITEM 2- Business of the Issuer*".

ITEM 2- BUSINESS OF THE ISSUER

2.1 Structure

The Issuer

The Issuer is an unincorporated trust formed in the Province of Alberta on January 24, 2018. Chris Guthrie, an individual resident in the City of Toronto, in the Province of Ontario, is the Trustee of the Issuer. The Issuer is governed by the terms of the Trust Indenture. See "*ITEM 2- Business of the Issuer – Material Agreements – Trust Indenture*".

Beneficial interests in the Issuer are divided into Trust Units of multiple Classes. There is no limit to the number of Trust Units or the number of Classes that may be issued subject to any determination to the contrary made by the Trustee. Each Trust Unit within a particular Class will be of equal value, however, the value of a Trust Unit in one Class may differ from the value of a Trust Unit in another Class. There are currently three Classes of Trust Units being offered for sale by the Issuer pursuant to this Offering Memorandum, Class A Trust Units, Class F Trust Units and Class O Trust Units. The attributes and characteristics of each Class of Trust Unit are described in "*ITEM 5 - Securities Offered*". In addition to the Trust Units described in this Offering Memorandum, the Issuer may create additional Classes of Trust Units with such attributes and characteristics as the Trustee may determine, and which may be offered for sale to such persons as the Trustee may determine.

The Issuer was formed for the purpose of offering the Trust Units and to invest the net proceeds of subscriptions for Trust Units in a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United State in order to generate capital growth. Unitholders will be entitled to receive: (i) on a Distribution Record Date, an amount equal to the Net Income of the Issuer for the Distribution Period; (ii) on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Issuer for the Distribution Period; and (iii) upon termination of the Issuer, to the remaining property of the Issuer *pro rata* with the holders of Trust Units of the Class in accordance to the aggregate number of Trust Units of the Class owned by such holder. On the last day of each fiscal year, an amount equal to the Net Income of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, *pro rata* in accordance with the number of Trust Units of the Class then held. Further, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, *pro rata* in accordance with the number of Trust Units of the Class then held, except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Issuer would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Issuer ending in such fiscal year. For greater certainty, it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Issuer be paid or payable to Unitholders in each fiscal year so that the Issuer is not liable to pay tax under Part I of the Tax Act for the taxation year of the Issuer ending in such fiscal year. . See "*ITEM 2- Business of the Issuer – Material Agreements – Trust Indenture*" and "*ITEM 5 - Securities Offered*".

Notwithstanding the above and subject to Applicable Securities Laws, unless otherwise determined by the Manager, all distributions of Net Income and Net Realized Capital Gains made by the Issuer (net of any deductions or withholdings required by law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date. Potential Subscribers should keep this policy in mind when determining whether or not an investment in the Issuer is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

The head office of the Issuer is located at 333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2. The Issuer's financial year end is December 31 in each year.

The Manager

The Manager was incorporated under the laws of Alberta. The Manager is not a reporting issuer in any jurisdiction and none of its securities are listed for trading on any stock exchange. The Manager is registered in the categories of investment fund manager in Ontario and investment dealer in Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan. The Manager is a member of IIROC.

The Manager is the investment fund manager and the portfolio manager of the Issuer pursuant to the terms of the Management Agreement whereby the Manager will provide the Issuer Services and in exchange for such services, shall receive the Management Fee and the Performance Fee, as may be applicable. See "*ITEM 2- Business of the Issuer – Material Agreements – Management Agreement*" and "*ITEM 2- Business of the Issuer - Fees and Expenses*".

The Manager and the Issuer have also entered into the Agency Agreement pursuant to which the Manager shall receive certain fees. See "*ITEM 7 – Compensation Paid to Sellers and Finders*".

There are conflicts of interest between the Issuer and the Manager as it relates to this Offering and the administration of the Issuer.

The Issuer may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory, distribution and other business activities. The services of the Manager are not exclusive and nothing in the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Issuer) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning the allocation of time by the Manager to the Issuer. The personnel of the Manager will devote such time to the affairs of the Issuer as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Issuer. As a registered dealer, the Manager intends to sell interests in related trusts, limited partnerships and other pooled funds organized by the Manager.

It is not expected that the Manager will purchase any Trust Units under the Offering however, GFI, GMC and the directors and officers of the Manager may acquire Trust Units pursuant to the Offering and, as a result, may be in a position to influence the Issuer in a manner that may be counter to the interests of other Unitholders.

GMC is considered to be the "promoter" of the Issuer within the meaning of Applicable Securities Laws because GMC took the initiative in organizing and founding the Issuer.

Notwithstanding the above, while there are potential conflicts of interest, GSI and the Issuer are of the view that GSI and the Issuer are independent of each other for the purposes of this Offering. See "*0 - Interests of Directors, Management, Promoters and Principal Holders*".

The principal office of the Manager is located at 333 Bay Street, Suite 1720 Toronto, Ontario, M5H 2R2.

2.2 Our Business

The Issuer was formed solely to offer Trust Units for sale and to invest the net proceeds of the Offering in a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United State in order to generate capital growth.

Investment Objective

The Issuer's fundamental investment objective is to provide long-term capital growth to its Unitholders primarily through investments directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United States in order to generate capital growth. **There is no assurance that this objective will be achieved.** See "*ITEM 8 - Risk Factors*".

Investment Strategy

To achieve its fundamental investment objective, the Issuer will seek to assemble and manage a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United State in order to generate capital growth. The Issuer intends to invest primarily in micro, small and mid-cap issuers, however, it may invest in large-cap issuers if it deems such investments meet its investment strategy.

The Manager aims to identify investment opportunities that are believed to represent special situations. The Manager deems special situation investments to be those that may realize significant positive revaluation, the potential for which may not have been realized by the broader market. Investment opportunities may be found among growth companies with underappreciated potential and among significantly undervalued companies that may be poised to benefit from improvements in company or industry fundamentals. The Issuer intends to invest in issuers that it believes offer the potential for growth and whose shares trade at prices reflecting attractive valuations based on the Manager's assessment of the issuer's growth potential. The Manager intends to use this investment approach to choose the issuers in which the Issuer makes a substantial investment.

When making investments in securities, the Manager will examine each issuer's potential for success in light of its current financial condition, its industry position and economic and market conditions. The Manager will also consider factors like growth potential, earning estimates and quality of management.

The Issuer intends to diversify its portfolio of investments so as not to be concentrated in any one issuer, industry or credit rating, however, the Issuer may sometimes have significant exposure to relatively few companies and industries. Due to its focus on micro, small and mid-cap issuer, some of the Issuer's holdings may be less liquid than others.

The Issuer may from time to time, at its sole discretion, invest in foreign securities and in fixed income and debt securities including new issues, private placements and short-term trading opportunities. The Issuer may also engage in other investing activities that are consistent with its investment objective, including investing directly in securities of companies and using specified derivatives, such as options and warrants, as permitted by the Applicable Securities Laws. Such investments may be used to reduce or hedge against various risks, including but not limited to, currency exchange risk associated with its foreign investments, or to otherwise exploit more effectively the Issuer's investment themes.

The Issuer may from time to time, at its sole discretion, temporarily hold all or a portion of its assets in cash and money market instruments in anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes, for rebalancing purposes or for purposes of a merger or other transactions. As a result, the Issuer may not be fully invested in accordance with its fundamental investment objectives.

Short Sales

The Issuer may short sell securities. Short sales involve the Issuer selling a security that it does not own in anticipation of a price decline. A short sale occurs when the Issuer borrows a security from a third party. The Issuer must repurchase the security at a later date in order to replace the security that was borrowed from the third party. This is known as covering the short position. If the price of the borrowed security has fallen, the security will be repurchased at a lower price than that at which it was initially sold, and the difference between the price the Issuer paid to repurchase the borrowed security to cover its short position and the price at which the security was sold to the second party (plus any interest rebate on the proceeds from the original short sale, less commission costs and other transaction expenses) will represent the Issuer's profits. If the borrowed security is repurchased by the Issuer at a higher price than that at which it was initially sold, the Issuer will incur a loss.

It is important to note that short selling can be extremely risky, as losses can be unlimited if the price of the borrowed security continues to increase rather than decline. To mitigate this risk and potential loss, the Issuer will sell short securities of issuers that are viewed by the Manager to have significant management, financial, and operating deficiencies or issuers that are overvalued in the marketplace while exhibiting a loss of analyst coverage or shareholder support.

The Manager believes opportunity exists in short selling for two principal reasons. First, most Canadian and U.S. institutional investors, who control the majority of funds available for equity investments, are precluded by law or are unwilling to sell securities short. This creates a fundamental imbalance between the buy and the sell side of the market. Second, it is the view of the Manager that investor psychology contributes to the opportunity for profit from short sales, as investors are much more willing to accept positive forecasts than they are to recognize negative facts indicators. In summary, the Manager believes that the market is less efficient on the sell side than the buy side, which allows for the potential for superior returns.

Risk Management

The Issuer may temporarily hold all or a portion of its assets in cash and money market instruments in anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes, for rebalancing purposes or for purposes of a merger or other transactions. As a result, the Issuer may not be fully invested in accordance with its fundamental investment objective.

Investment Restrictions

The Issuer will not engage in any undertaking other than the investment of the Issuer's assets in accordance with the Issuer's investment objectives and investment strategies. The investment activities of the Issuer will be conducted in accordance with certain restrictions, which include the following:

- (i) investing no more than 10% of the total assets of the Issuer at the time of the investment in the securities of a single issuer or investment fund;
- (ii) investing no more than 20% of the total assets of the Issuer in the securities of private issuers, in aggregate;
- (iii) not borrowing or incurring indebtedness in a total amount in excess of 20% of the total assets of the Issuer (at the time of entering into leverage); and
- (iv) not making investments with the explicit intention of exercising control over the issuer.

The Issuer will not engage in any undertaking other than the investment of its assets in property for the purpose of the Tax Act and the Regulations thereunder.

Tax Restrictions on Investments

The Issuer will qualify at the closing of the Offering, and will continue to qualify thereafter, as a "mutual fund trust" as defined in the Tax Act. In order to qualify as a mutual fund trust, in addition to qualifying as a "unit trust" as defined in the Tax Act, the Issuer must satisfy the following conditions:

- (i) the undertaking of the Issuer must be limited to a combination of the investing of its funds in property (other than real property or interests in real property) and the acquiring, holding, maintaining, improving, leasing or managing of any real property or an interest in real property, that is capital property of the Issuer;
- (ii) the Issuer must comply on a continuous basis with certain requirements relating to the qualification of the Trust Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Trust Units; and
- (iii) the Issuer may not reasonably be considered to have been established or maintained primarily for the benefit of non-residents of Canada under the Tax Act.

Further, in order to qualify and maintain its status as a "unit trust" as defined in the Tax Act, not more than 10% of the Issuer's property can consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than those of the Federal, Provincial or municipal governments. The Issuer must also ensure that at least 80% of its property consists of any combination of the investments listed below (the "**Investments**") and that at least 95% of the Issuer's income is derived from, or from the disposition of, such Investments:

- (i) shares;
- (ii) any property that, under the terms or conditions of which or under an agreement, is convertible into, is exchangeable for or confers a right to acquire, shares;
- (iii) cash;
- (iv) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations;
- (v) marketable securities;
- (vi) real property situated in Canada, and interests in such real property, or immovables situated in Canada and real rights in such immovables; and

- (vii) rights to and interests in, or, for civil law, rights in or to, any rental or royalty computed by reference to the amount or value of production from a natural accumulation of petroleum or natural gas in Canada, from an oil or gas well in Canada or from a mineral resource in Canada.

The Manager intends to ensure that the Issuer will meet these requirements at all times; however, no assurance can be given in this regard. If the Issuer were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described in this Offering Memorandum, would in some respects, be materially different. For further details, see "*ITEM 6 - Income Tax Consequences and RRSP Eligibility - Canadian Federal Income Tax Considerations*".

2.3 Development of Business

The Issuer is a newly formed "mutual fund trust" (within the meaning of the Tax Act). The Issuer has no operating history and was established to invest the net proceeds of the Offering in a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United State in order to generate capital growth. It is the intention of the Issuer to raise funds under this Offering to acquire such securities. See "*ITEM 2- Business of the Issuer - Our Business*".

2.4 Long Term Objectives

The Issuer's long term objectives are to raise sufficient funds to acquire and manage a diversified portfolio of investments, primarily directly and/or indirectly in the securities of micro, small and mid-cap private and public issuers located primarily in Canada and the United States. The Issuer will seek to identify investment opportunities that are believed to represent special situations. The Manager deems special situation investments to be those that may realize significant positive revaluation, the potential for which may not have been realized by the broader market. Investment opportunities may be found among growth companies with underappreciated potential and among significantly undervalued companies that may be poised to benefit from improvements in company or industry fundamentals. See "*ITEM 2- Business of the Issuer – Our Business –Investment Strategy*".

The Issuer intends to make distributions to Unitholders on the Distribution Payment Dates in accordance with the terms of the Trust Indenture. **Subject to Applicable Securities Laws, unless otherwise determined by the Manager, all distributions of Net Income and Net Realized Capital Gains made by the Issuer (net of any deductions or withholdings required by law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.** See "*ITEM 2- Business of the Issuer – Our Business*" and "*ITEM 2- Business of the Issuer – Material Agreements – Trust Indenture*" and "*ITEM 5 - Securities Offered*". Potential Subscribers should keep this policy in mind when determining whether or not an investment in the Issuer is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

There can be no guarantee that the Issuer will realize Net Income or Net Realized Capital Gains from its investments. Investing in securities and management of an investment portfolio involves a high degree of risk that even the combination of experience and knowledge may not be able to avoid. Success in the Issuer's objectives will depend to a certain extent on the efforts and abilities of the Manager and on a number of other external factors, such as, among other things, the general political and economic conditions, fluctuating interest rates, ability to raise financing and fund capital expenditures and changes in government regulations or in tax laws that may prevail from time to time, which factors are beyond the control of the Issuer or the Manager. See "*ITEM 8 – Risk Factors*".

The statements above constitute forward-looking statements under Applicable Securities Laws and are based on information received from the Issuer, the Manager and industry trends present at this time. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable and represent the Issuer's expectations and belief at this time, such statements involve known and unknown risks and uncertainties, which may cause the Issuer's actual performance and results in future periods to differ materially from any estimates or projections expressed or implied by such forward-looking statements. See – *Forward-Looking Statements* disclaimer on the second page of this Offering Memorandum.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Issuer's goal for the next 12 months is to raise sufficient funds to enable it to qualify as a "mutual fund trust" (within the meaning of the Tax Act) and to acquire and manage a diversified portfolio of investments, primarily directly and/or indirectly in the securities of micro, small and mid-cap private and public issuers located primarily in

Canada and the United States. As the Issuer intends to raise funds under a continuous offering, there is no target completion date. All of the net proceeds raised under the Offering will be used to acquire and grow the Issuer's investment portfolio as may be determined by the Manager in accordance with its investment strategies. See "*ITEM 2- Business of the Issuer – Our Business*".

2.6 Insufficient Funds

The proceeds of this Offering may not be sufficient to accomplish all of the Issuer's proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by the Issuer on reasonable terms.

2.7 Material Agreements

The only material agreements entered into by the Issuer and which can reasonably be regarded as presently being material to the Issuer or a prospective Subscriber of Trust Units are summarized below.

Trust Indenture

The Issuer and the Trustee have entered into the Trust Indenture, in the form attached hereto as Schedule "A".

The Trust

The Issuer is an unincorporated trust formed in the Province of Alberta on January 24, 2018, pursuant to the Trust Indenture. Chris Guthrie, an individual resident in the City of Toronto, in the Province of Ontario, is the Trustee of the Issuer. Provided that it meets certain conditions, the Issuer shall elect to be a "mutual fund trust" for purposes of the Tax Act from the beginning of its first taxation year. The legal ownership of the Trust Property and the right to conduct affairs of the Issuer are vested exclusively in the Trustee.

Powers and Duties of Trustee

The Trustee has been appointed as the Trustee of the Issuer and such trustee may be removed by way of a resolution passed by more than 75% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution. Pursuant to the terms of the Trust Indenture, the Trustee has the full authority to manage the business and affairs of the Issuer. The Trustee may delegate its powers and duties to third parties where, in the sole discretion of the Trustee, it would be desirable to effect the management or administration of the Issuer. The Trustee is required to exercise its powers and carry out its functions honestly, in good faith, and in the best interests of the Issuer and the Unitholders and to exercise the care, diligence and skill of a reasonably prudent trustee in comparable circumstances. Among other powers, the Trustee may handle and manage the funds of the Issuer, manage all Trust Property, determine the amount of distributable income and to invest in and hold securities in any person or corporation necessary or useful to carry out its purpose.

The Trust Indenture sets forth certain actions that the Trustee may not take without the approval of the Unitholders, either by way of Ordinary Resolution or Special Resolution. The Trustee cannot, without the approval of Unitholders, (i) appoint or change the auditor except in the event of a voluntary resignation by the Auditor; (ii) amend the Trust Indenture; (iii) authorize the termination or winding-up of the Issuer, other than in accordance with the terms of the Trust Indenture; or (iv) authorize any sale, lease or exchange of all or substantially all of the Trust Property.

Trust Units

The interests of the Unitholders in the Issuer is divided into three Classes of Trust Units: Class A Trust Units, Class F Trust Units and Class O Trust Units. At a meeting of Unitholders, each Unitholder will have one vote for each Trust Unit owned by such Unitholder at the close of business on the record date for voting for such meeting. All Trust Units rank equally and rateably with those of their Class without discrimination, preference or priority. The Trustee may determine the designation and attributes of a Class of Trust Units such as offering price and investment thresholds and the Trustee may add additional Classes without prior approval of the Unitholders. Subject to the discretion of the Trustee, there is no limit to the number of Trust Units that may be issued. The Trustee, upon 14 days' written notice may subdivide or consolidate outstanding Trust Units.

Limitation on Non-resident Ownership

Pursuant to the Trust Indenture, at no time may Non-residents be the beneficial owners of more than 49% of the outstanding Trust Units and, if necessary, at no time may more than 100 persons resident in the U.S. (as determined by the Trustee) be the beneficial owners of Trust Units. The Trustee (or any delegate thereof) may, at any time and from time to time, take all such actions as it determines in its discretion is reasonable and practicable in the circumstances in order to ensure compliance by the Issuer with this restriction, including: (i) obtaining declarations from Unitholders as to whether such securities held thereby are held by or for the benefit of Non-residents, or declarations from Unitholders or others as to the jurisdictions in which beneficial owners of securities of the Issuer are resident for Canadian income tax purposes; (ii) performing residency searches of Unitholder and beneficial holder mailing address lists; and (iii) placing such other limits on ownership of securities by the Issuer by Non-residents as the Trustee may deem necessary in its sole discretion to maintain the Issuer's status as a "mutual fund trust" under the Tax Act and ensure that the Issuer is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended.

The Trustee may: (i) refuse to accept a subscription for Trust Units, or issue or register a transfer of Trust Units to, a person unless the person provides a declaration to the Trustee and the transfer agent that the Trust Units to be issued or transferred will not, when issued or transferred, be beneficially owned by a Non-resident; and (ii) require a Non-resident to sell Trust Units by way of notice given to Non-resident Unitholders, chosen in inverse order to the order of acquisition or registration of such Trust Units beneficially owned by Non-Residents or chosen in such other manner as the Trustee may consider equitable and practicable.

Conflict of Interest

Pursuant to the terms of the Trust Indenture, the Unitholders consent and agree that: (i) the Trustee and its affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as acting as Trustee; (ii) the Trustee and its directors, officers, shareholders, and affiliates, as applicable, are permitted to be engaged in and continue in the private investment business and other businesses in which the Issuer may or may not have an interest and which may be competitive with the activities of the Issuer and are permitted to act as a partner, shareholder, officer, director, joint venturer, trustee, advisor or similar capacity with, or to, other entities; and (iii) the Issuer's activities may lead to incidental results of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with them have, or subsequently acquire, either a direct or indirect interest. The Unitholders agree that these instances shall not constitute a conflict of interest or a breach of fiduciary duty to the Unitholders. Further, the Unitholders agree that the Trustee will not be required to account to the Issuer or the Unitholders for any benefit or profit derived from any such activities unless such activity is contrary to the express terms of the Trust Indenture.

Fiscal Year

The fiscal year of the Issuer shall end on the last day of December in each year.

Fees and Expenses of Trustee

The Trustee may pay, or cause to be paid, reasonable fees, costs and expenses incurred in connection with the administration and management of the Issuer and in connection with the Trustee's duties, including fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors, including the Manager, of the Issuer. All costs, charges and expenses properly incurred by the Trustee on behalf of the Issuer shall be payable out of Trust Property. The Trustee shall be entitled to reimbursement of its reasonable out-of-pocket expenses incurred in acting as Trustee. The Trustee shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee.

Resignation or Removal of the Trustee and Appointment/Election of Trustee

The Trustee shall continue to be the Trustee for the term of the Issuer unless the Trustee resigns or is removed by the Unitholders in accordance with the terms of the Trust Indenture. The Trustee may resign as Trustee by giving 90 days' written notice of such resignation to the Unitholders. The Trustee may also be removed at any time by way of a resolution passed by more than 75% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution. The removal or resignation of the Trustee shall not take effect until a successor trustee has been elected or appointed and has accepted such election or appointment.

Upon the resignation or removal of the Trustee, the Trustee shall cease to have the rights, privileges and powers of a Trustee and shall execute and deliver all documents reasonably required to transfer any Trust Property held in the Trustee's name and to provide for the transition of the Issuer's activities and affairs to the successor trustee.

The departing Trustee shall continue to be entitled to payment of any amounts owing by the Issuer to the Trustee which accrued prior to its departure. The departing Trustee shall continue to be liable in respect of or in any way arising out of the Trust Indenture which accrued prior to the resignation or removal of the Trustee; however, the departing Trustee shall continue to benefit from any indemnity and limitation of liability provisions set out in the Trust Indenture.

Liability of Trustee and Beneficiary

The Trustee shall not be liable in certain circumstances such as acting, or failing to act, in good faith, where such act, or failure to act, was in reliance on an expert, or was a result of carrying out obligations or responsibilities imposed under tax legislation. The Trustee is indemnified by the Issuer for any claims or damages arising from the Trust Indenture unless such claims arose from the Trustee's gross negligence or wilful default. The Trustee shall have no liability in tort, contract or otherwise, to any beneficiary where such claim arises from or in connection with Trust Property, unless such claim arises from the willful misconduct, bad faith, gross negligence of the Trustee or a breach of the Trustee's standard of care and duty prescribed under the Trust Indenture.

The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of Trust Property, the obligations or activities of the Issuer, any acts or omissions of the Trustee or any other person in respect of affairs of the Issuer or any taxes or fines payable by the Issuer or the Trustee (on behalf of the Trust), provided that each Unitholder shall remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Trust Indenture provides that there is to be no liability to the Unitholder, the Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property to the full extent of such costs and liability.

The Issuer shall have no liability to reimburse any Person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any Person by reason of ownership or disposition of Trust Units.

Records and Reporting

The Trustee shall prepare and maintain, or cause to be prepared and maintained, records containing (a) the Trust Indenture; (b) minutes of meetings and resolutions of Unitholders; and (c) the registers of the Issuer. The Issuer shall also prepare and maintain adequate accounting records.

The Trustee will send to all Unitholders (or make available if sending is not required by law) the financial statements of the Issuer together with comparative financial statements for the preceding fiscal year, if any, and the report of the accountant thereon, within 120 days of the end of the fiscal year of the Issuer.

On or before March 31 in each year, or such other date as may be required under applicable law, the Issuer shall provide to Unitholders who received distributions from the Issuer in the prior calendar year, such information regarding the Issuer required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Trustee shall satisfy, perform and discharge all obligations and responsibilities of the Trustee under the Tax Act and neither the Issuer nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

Power of Attorney

Each Unitholder irrevocably appoints the Trustee, with full power of substitution, as its lawful attorney to act on the Unitholder's behalf with full power and authority in the Unitholder's name, place and stead to execute, swear to, acknowledge, deliver, make, file or record certain necessary documents. Such power is coupled with an interest, shall survive the death, mental incompetence, disability or legal incapacity of a Unitholder and shall survive the assignment by the Unitholder, of its interest in the Issuer. Under the Trust Indenture, each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee in good faith under such power of attorney.

Auditor

The Trustee may appoint an auditor of the Issuer until the first meeting of Unitholders and afterward, the auditor may be elected at each meeting of the Unitholders. The auditor will receive such remuneration as may be approved by the Trustee. If appointed, the auditor shall audit the accounts of the Issuer at least once each year and a report of the auditor with respect to annual financial statements of the Issuer shall be provided to each Unitholder.

Amendments

The Trustee may make amendments to the Trust Indenture without the consent of the Unitholders in certain limited circumstances such as ensuring compliance by the Issuer with applicable laws, providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders, making minor corrections or curing inconsistencies within the Trust Indenture, making amendments to reclassify the Trust Units, and any other amendments which do not materially prejudice the Unitholders. All other amendments are required to be made by a Special Resolution of the Unitholders.

Termination of Trust

The Issuer may be wound up or terminated if resolved by a Special Resolution of the Unitholders. Upon being required to wind-up or terminate the affairs of the Issuer, the Trustee shall give notice of such wind-up or termination to the Unitholders and the Unitholders shall surrender their Trust Units for cancellation. The Trustee shall sell and convert the Trust Property into money and do all other acts to liquidate the Issuer, and shall distribute the remaining proceeds of sale or the undivided interests in the remaining Trust Property directly to the Unitholders in accordance with their entitlements.

Other

For other information with respect to the terms of the Trust Indenture dealing with, distributions of income or loss of the Issuer, redemption of Trust Units and voting at meetings of Unitholders, see "*ITEM 5 - Securities Offered*".

The above is a summary of the terms of the Trust Indenture. Potential Subscribers are also strongly encouraged to review the Trust Indenture attached hereto as Schedule "A" for a full description of the Trust Units and the rights and limitations applicable to Trust Unitholders.

Management Agreement

The Issuer and the Manager have entered into the Management Agreement pursuant to which the Manager has been appointed as the investment fund manager and the portfolio manager to provide, or cause to be provided through qualified service providers, various services related to the Issuer's business, operations, affairs and investments.

The Issuer has appointed the Manager as the investment fund manager and the portfolio manager with full authority and responsibility to provide or cause to be provided the Issuer Services (as defined below). The Issuer has delegated to the Manager the power and authority to act in the Issuer's name and on its behalf for the sole purpose of performing the Issuer Services.

The Manager has agreed to provide, or cause to be provided through qualified service providers, the following services (collectively, the "**Issuer Services**"):

- consider, for the benefit of the Issuer, all potential investments that come to the attention of the Manager that meet the Issuer's investment guidelines;
- conduct due diligence and financial analysis in relation to any proposed investments of the Issuer;
- oversee and administer the direct and indirect acquisition of the assets of the Issuer;
- invest the capital of the Issuer in accordance with the Issuer's investment objectives;
- make or incur and pay expenses on behalf of the Issuer as it reasonably considers necessary in the discharge of its responsibilities;
- act as agent of the Issuer in obtaining for the Issuer such services as may be required in connection with the identification, acquisition and disposition of the assets of the Issuer;

- manage and employ the capital of the Issuer in the exercise of the Issuer Services, including the payment of operating expenses and the investment of capital on the instructions of the Trustee;
- conduct and coordinate relations on behalf of the Issuer with other persons as required in order to perform its duties hereunder, including lawyers, auditors, technical consultants and other experts, and select the markets, dealers or brokers and negotiate, where applicable, commissions or service charges in connection with portfolio transactions on behalf of the Issuer;
- manage, administer, and hold for safekeeping the assets of the Issuer in conjunction with the Trustee;
- liaising with dealers, institutions and investors regarding sales of Trust Units of the Issuer and responding to Unitholders' enquiries;
- selecting, retaining, supervising, removing and conducting relations on the Issuer's behalf with service providers engaged in its operations, and any replacements, including without limitation, accountants, lawyers, transfer agents, trustees, brokers, administrators and other service providers and professional advisers;
- maintaining the Issuer's books and financial records;
- arranging for and directing the preparation and dissemination of reports and other information required to be sent to holders of Trust Units, including periodic financial statements, annual tax information and all other communications with holders of Trust Units as required from time to time;
- arranging for and directing the processing of the payment of distributions by the Issuer to the holders of Trust Units;
- coordinating and directing the preparation of the Issuer's financial statements and other disclosure and reporting documents and regulatory filings;
- administering the Issuer's day-to-day affairs and providing, or arranging for, all necessary personnel, office facilities, telephone, fax and other communication services, office supplies, banking, custodian and bookkeeping and internal accounting and audit services, including preparation of tax returns, annual returns, regulatory filings and other usual and ordinary office services;
- if advisable, acting on the Issuer's behalf as its nominee or agent in connection with the services being provided, including the execution of agreements or other instruments in writing for or on the Issuer's behalf; and
- performing such other services or acts as shall be reasonably necessary or ancillary to the matters set out above or as the Issuer may from time to time reasonably request.

The Manager has agreed to fulfill the role and provide the Issuer Services set out in the Management Agreement in an honest and diligent manner, in good faith and to the best of its ability and will at all times comply with all securities and other laws, rules, regulations, ordinances, policies and guidelines applicable to the Manager and the Issuer in connection therewith, including obtaining and maintaining all necessary licenses, permits, consents and approvals under all applicable federal and provincial laws which are necessary or which may from time to time be required to permit the Manager to perform its obligations to the Issuer.

In consideration for providing the Issuer Services, the Manager will receive the Management Fee. Under the Management Agreement, the Manager is responsible for all of its internal costs including, without limitation, employment expenses of employees hired to work exclusively for the Manager and not engaged in providing the Issuer Services, corporate taxes, legal, accounting, director, officer and audit fees and expenses, and all out of pocket costs and expenses incurred in connection with its organization, maintenance and licensing.

Pursuant to the Management Agreement, the Manager is allowed to engage such persons as the Manager deems appropriate in connection with its performance of the Issuer Services and to delegate any of its powers and duties under the Management Agreement, provided that the Manager has agreed to at all times monitor the activities of such persons and be at all times responsible for the performance of such Issuer Services, powers and duties in a manner consistent with the Management Agreement.

The Manager shall not be liable in any way for any default, failure or defect in any of the Issuer's activities if it has satisfied the duties and standard of care, diligence and skill set forth in the Management Agreement. However, the Manager shall be liable to the Issuer for any loss, damage, claim, cost, charge, expense or liability resulting from the

Manager's wilful misconduct, bad faith, negligence or disregard by the Manager of the Manager's duties or standard of care, diligence and skill prescribed by the Management Agreement or a material breach or default of the Manager's obligations under the Management Agreement.

In addition, whether the claim be in tort, contract or otherwise, the Manager will only be liable to the Issuer for actual damages incurred by it and only to the extent that such actual damages are equal to or less than the amount paid to the Manager under the Management Agreement and the Manager shall not be liable for any consequential, special, indirect, incidental, exemplary, punitive or similar damages, or lost profit or revenue, or failure to realize expected benefits, capital, revenues, income, profits or savings, relating to the provision or conduct by the Manager of its services, duties and obligations under the Management Agreement.

If, notwithstanding the provisions of the Management Agreement, the Manager or any of its directors, officers, employees, consultants or agents shall be held personally liable as such to any other person in respect of any debt, liability or obligation incurred by or on behalf of the Issuer or, subject to the provisions of the Management Agreement, any action taken or omitted or in connection with the Issuer's affairs, the Manager and its directors, officers, employees, consultants or agents shall be entitled to indemnity and reimbursement out of the Issuer's property and assets to the full extent of such liability and the costs of any litigation or other proceedings in which such liability shall have been determined, including without limitation, the fees and disbursements of counsel. The Manager has agreed that it shall only look to the Issuer's property for satisfaction of any claims arising out of or in connection with the Management Agreement.

The Management Agreement is for an indefinite term. The Management Agreement may be terminated by either party immediately in the event of: (i) the commission by either party of any fraudulent act; (ii) either party becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors; (iii) conviction of either party for a criminal offence; (iv) conduct by either party that is materially damaging to the other party and contrary to the terms of the Management Agreement; (v) material breach of the Management Agreement by a party; (vi) material misrepresentation by a party; or (vii) material failure by a party to perform its duties as described in the Management Agreement within ten days of written notice by the other party.

The Management Agreement may also be terminated at any time by the Issuer on 30 days' written notice or at any time by mutual consent in writing. In addition, the Manager may resign and the Management Agreement may be terminated upon 60 days' notice by the Manager to the Issuer. The Management Agreement may also be terminated by the Issuer immediately in the event the Manager is unable under Applicable Securities Laws to act as the Issuer's investment fund manager or portfolio manager.

Agency Agreement

The Issuer has entered into an Agency Agreement with GSI, whereby GSI has agreed to use its commercially reasonable efforts to sell the Trust Units under the Offering to qualified purchasers in one or more of the Selling Jurisdictions. The material terms of the Agency Agreement are further described in "*ITEM 7 - Compensation Paid to Sellers and Finders*".

2.8 Fees and Expenses

Management Fee

As compensation for providing the Issuer Services to the Issuer, the Manager receives the Management Fee from the Issuer attributable to Class A Units, the Class F Units and the Class O Units. The Management Fee is calculated as a percentage of the Net Asset Value of each Class of Units. The Management Fee may vary from Class to Class and will be deducted as an expense of the Issuer in the calculation of the Net Income of the Issuer.

Class A Units

The Issuer pays the Manager a quarterly management fee equal to 1/4 of 1.0% of the Net Asset Value of the Class A Units, plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable quarterly in arrears (the "**Class A Management Fees**").

Class F Units

The Issuer pays the Manager a quarterly management fee equal to 1/4 of 1.0% of the Net Asset Value of the Class F Units, plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable quarterly in arrears (the "**Class F Management Fees**").

Class O Units

Subject to the discretion of the Manager, investors who purchase Class O Units must either: (i) enter into an agreement with the Manager which identifies the management fee negotiated with the investor which is payable by the investor directly to the Manager; or (ii) enter into an agreement with the Issuer which identifies the quarterly management fee negotiated with the investor which is payable by the Issuer to the Manager (including any applicable and federal and provincial taxes, collectively, the "**Class O Management Fees**"). In each circumstance, the Class O Management Fee is calculated and accrued on each Valuation Date and payable quarterly in arrears.

Performance Fee

Subject to the attainment of the High Water Mark, as described below, the Manager will be entitled to a performance fee (the "**Performance Fee**") equal to 20% of the amount by which the Net Asset Value per Unit of the Class A Units and/or Class F Units as at the last Valuation Date of the fiscal year of the Issuer exceeds a threshold annualized increase of 5% (the "**Hurdle Rate**") over the High Water Mark. The Manager may elect to receive the Performance Fee in cash or in Units of the applicable Class of Units of the Issuer.

For greater certainty, if the Net Asset Value per Unit annualized increase attributable to Class A Units and Class F Units in any fiscal year of the Issuer is positive but equal to or less than the Hurdle Rate, then no Performance Fee will be payable in such fiscal year.

For the purposes of determining the Manager's entitlement to the Performance Fee, the "**High Water Mark**" for a Trust Unit as at any date means, (i) during the fiscal year in which the Trust Unit is issued, its subscription price; (ii) during the subsequent fiscal year, the greater of its subscription price or the Net Asset Value per Unit of that Class as of the first day of such subsequent fiscal year if the Manager received Performance Fee in respect of such Unit for the prior fiscal year; and (iii) during all subsequent fiscal years, the higher of the Net Asset Value per Unit of that Class as at the first day of such fiscal year and any previous fiscal year.

The Performance Fee is calculated on a Class by Class basis. The Performance Fee will be calculated and paid annually (on or before the 90th day following the previous fiscal year-end of the Issuer) upon determination on the last Valuation Date of the fiscal year of the Issuer. For subscriptions and redemptions other than at year-end, the performance of the Issuer will be annualized for purposes of determining whether the Hurdle Rate threshold has been met.

In the case of Class O Units, the Performance Fee, if any, will be negotiated with each investor for Class O Units.

Issue Expenses

The Issue Expenses equal to 0.75% of the gross proceeds raised from the sale of Trust Units shall be paid by the Issuer to the Manager and 1.0% of the gross proceeds raised from the sale of Trust Units may be paid by the Issuer to the Manager (and certain selling agent(s) at the discretion of the Manager) for dealer due diligence, platform and distribution override fees. The fees payable as Issue Expenses may be insufficient to cover the actual costs of the offering of Trust Units. To the extent that the actual costs of the offering of Trust Units exceed the amounts allocated as Issue Expenses, such amounts will be paid by the Manager from its portion of the Management Fee.

Operating Expenses

The ongoing expenses of the Issuer will be borne by the Issuer, including without limitation, the fees and expenses of the Issuer's legal counsel and auditors, communications to Unitholders, custodial arrangements, fund accounting fees payable to the Manager that do not exceed market rates for similar services from third parties, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees and taxes of all kinds to which the Issuer is or might be subject to.

ITEM 3– INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The Issuer

The Issuer does not have directors or officers. The Trustee of the Issuer is as follows:

Name and Municipality of Principal Residence	Positions held and the date of obtaining that position	Compensation paid by the Issuer in the most recently completed financial year (and the compensation anticipated to be paid in the current financial year)	Number, type and percentage of securities of the Issuer to be held after completion of Offering
Chris Guthrie <i>Toronto, Ontario</i>	Trustee January 24, 2018	Nil (Nil) See Note 2	Nil See Note 2

Notes:

- All costs, charges and expenses properly incurred by the Trustee on behalf of the Issuer shall be payable out of Trust Property and the Trustee is entitled to reimbursement of its reasonable out-of-pocket expenses incurred in acting as Trustee. Upon Closing, the Issue Expenses equal to 0.75% of the gross proceeds raised from the sale of Trust Units under the Offering shall be paid to the Manager. The Trustee and the Manager shall have priority over distributions to holders of Trust Units in respect of amounts payable or reimbursable to the Trustee and the Manager.
- Chris Guthrie, the Trustee of the Issuer, is the President and a director of Gravitass Investments GP Inc. It is not expected that the Trustee will purchase any Trust Units under the Offering.**
- GSI is the Manager of the Issuer pursuant to the Management Agreement and an Agent under this Offering. GSI will be entitled to receive certain fees pursuant to the terms of the Agency Agreement and will receive the Management Fee and the Performance Fee pursuant to the terms of the Management Agreement. The key principal of the Manager responsible for this Offering is Neil Gilday (see "0 - Interests of Directors, Management, Promoters and Principal Holders – Management Experience – The Manager).**
- It is not expected that the Manager will purchase any Trust Units under the Offering however, GFI and the directors and officers and/or key principals of the Manager may acquire Trust Units pursuant to the Offering and, as a result, may be in a position to influence the Issuer in a manner that may be counter to the interests of other Unitholders. See "0 - Interests of Directors, Management, Promoters and Principal Holders - Conflicts of Interest".**

3.2 Management Experience

The Trustee

The name and principal occupation for the past five years of the Trustee is as follows:

<u>Name</u>	<u>Principal occupation and related experience</u>
Chris Guthrie <i>Toronto, Ontario</i>	Chris Guthrie brings over 20 years of experience in the Canadian Financial Services industry to the Gravitass fund management team. Mr. Guthrie is a director and has been the President of Gravitass Investments GP Inc. since May 3, 2017. Prior to joining Gravitass Investments, Mr. Guthrie was one of the founding partners of NexGen Financial in a tenure that lasted almost 10 years. Prior to joining NexGen Financial, Mr. Guthrie held senior Sales and Marketing positions at Triax Capital (now First Asset Funds) and Working Ventures Canadian Fund. Mr. Guthrie graduated from Bishops University, completed numerous financial industry courses and holds a series of financial industry designations.

The Manager

The name and principal occupation for the past five years of the key principal of the Manager is as follows:

<u>Name</u>	<u>Principal occupation and related experience</u>
Neil Gilday	Neil Gilday serves as a shareholder and a director of the Manager and is the portfolio manager and key principal of the Manager responsible for this Offering. Mr. Gilday is also EVP of Corporate Development and Strategy of GFI. Mr. Gilday has 21 years of experience in the investment industry and is a CFA charterholder. Prior to his role with the Manager, Mr. Gilday was a partner at one of Canada's premier high net worth asset management companies, Cumberland Private Wealth Management. After 10 years at Cumberland and seeing it grow to \$1.7 billion in assets during this time, Mr. Gilday left to work on earlier stage opportunities. Mr. Gilday was educated as a computer scientist at McGill University and was a founder of three investment software companies.

3.3 Penalties, Sanctions and Bankruptcy

Except as set forth below, there are no penalties or sanctions that have been in effect during the last ten years, and there are no cease trade orders that have been in effect for a period of 30 consecutive days during the last ten years, against the Trustee of the Issuer or of a director, executive officer or control person of the Manager or against a company of which any of the foregoing was a director, executive officer or control person. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under or any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of receiver, receiver manager or trustee to hold assets, has been in effect during the last ten years with regard to those individuals or any companies of which any of those individuals was a director, executive officer or control person.

In 2012, IIROC and GSI entered into a settlement agreement in which GSI agreed to pay a global fine of \$40,000 and to pay costs of \$3,500 on the basis that between December 2009 and November 2010, GSI failed to designate a supervisor qualified to supervise options trading and from March 2010 and December 2010, GSI failed to supervise activities of an individual who was a consultant and agent of GSI.

3.4 Loans

Since its inception, there have not been any debentures or loans that are due to or from (i) the Trustee of the Issuer, or (iii) any director, executive officer, promoter or principal shareholder of the Manager.

3.5 Conflicts of Interest

There are conflicts of interest between the Issuer, the Trustee and the Manager as it relates to this Offering and the administration of the Issuer.

The Issuer may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory, distribution and other business activities. The services of the Manager are not exclusive and nothing in the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Issuer) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning the allocation of time by the Manager to the Issuer. The personnel of the Manager devote such time to the affairs of the Issuer as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Issuer. As a registered dealer, the Manager intends to sell interests in related trusts, limited partnerships and other pooled funds organized by the Manager.

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

The Manager and its officers and employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest. The Manager has in place systems to monitor the personal trading and other business activities of its officers and employees. The Manager is the portfolio manager to the Issuer and, to the extent permitted by securities legislation, the Issuer may from time to time invest in underlying companies who are also the Manager's investment banking clients. In such instances, the Manager will make every effort to comply with conflicts of interest disclosures and regulations to minimize the conflict including efforts to ensure that the portfolio manager is not also involved in ongoing investment banking transactions for the underlying assets.

GSI will be entitled to receive certain fees (including the Trailer Fees) pursuant to the terms of the Agency Agreement and will receive the Management Fee and the Performance Fee, as may be applicable, pursuant to the terms of the Management Agreement.

The Issuer may also be subject to various conflicts of interest due to the fact that the Trustee is engaged in a wide variety of other business activities. The services of the Trustee are not exclusive and nothing in the Trust Indenture or any other agreement prevents it from providing similar services to other clients (whether or not their investment objectives and policies are similar to those of the Issuer) or from engaging in other activities. The Trust Indenture does not impose any specific obligations or requirements concerning the allocation of time by the Trustee to the Issuer. The Trustee will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest and will make every effort to comply with conflicts of interest disclosures and regulations to minimize any such conflicts.

Various conflicts of interest exist or may arise between the Issuer, GFI and GSI and affiliates. These conflicts of interest may have a detrimental effect on the business of the Issuer.

GFI holds an approximate 40% interest in Gravitas Ilium Corporation ("GIC"), a financial services holding company. GFI and GIC are not arm's length to GSI in that GFI indirectly controls approximately 23% of the voting securities of GSI and GIC indirectly controls approximately 55% of the voting securities of GSI. GSI acts as Agent in this Offering and as described more below also acts as portfolio manager in various funds in which the Issuer intends to invest.

GFI directly holds over 70% of the common shares of GMC, the promoter of the Issuer. GMC is a merchant bank that makes direct investments into mining related companies. GMC provides strategic capital market advisory and mining consultancy services.

At this time, Yuhua International Capital Inc. ("Yuhua") directly holds approximately 17.4% of the common shares of GFI and directly holds over 25% of the common shares of GMC and may acquire additional common shares in the future. Overall, Yuhua directly and indirectly controls approximately 30% of the common shares of GMC. Yuhua is a Canadian holding company in the Yuhua Group of Companies, a Chinese conglomerate in the mining, real estate and pharmaceutical sectors.

GIC, through its subsidiary ForeGrowth Inc., also acts as a general partner and GSI also acts as a portfolio manager of several ForeGrowth investment funds. Some conflicts arise as a result of the power and authority of GIC to manage and operate its own business and affairs and those of its affiliates while at the same time GIC acts as the general partner and GSI as the portfolio manager of related funds.

GFI is also not arm's length to Portfolio Strategies Corporation ("PSC"), a related mutual-fund dealer, and PSC may, from time to time act as agent in this offering and in other offerings from the greater Gravitas group of companies from time to time.

Other affiliates of GFI include but not limited to GFI'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). GMC, GSI and PSC may, from time to time, establish relationships with resource companies that are the subject of investments by the Issuer. 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 or the involvement of individuals that are directors or officers of GFI, GMC, GIC, GSI or PSC 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 Issuer and GFI, as noted above.

GFI and GSI also act as general partner and portfolio manager, respectively, of several related resource funds which GMC is currently an investor and intends to make further investments in future funds. Some conflicts arise as a result of the power and authority of GFI to manage and operate the business and affairs of the Issuer while at the same time GFI acts as the general partner and GSI as the portfolio manager of related funds. GFI also serves as general partner of investment partnerships, including the Gravitas Select Flow-Through Limited Partnership III, Gravitas Select Flow-Through L.P. 2016, Gravitas Short-Duration Flow-Through L.P. 2017, Gravitas Select Flow-Through L.P. 2017 and Gravitas Special Situations Limited Partnership (such additional entities are hereinafter collectively referred to as the "Gravitas Partnerships"). GFI, GFI's affiliates and GSI 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 companies 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. Any conflicts of interest which arise involving the Issuer, GFI or the Manager, shall be dealt with on a basis consistent with objectives of the

Issuer, and the duty of GFI and the Manager to deal honestly, in good faith and in the best interest of the Unitholders and the Issuer. Subject to compliance with Applicable Securities Laws, the Issuer may invest in securities of entities related to GFI or the 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. In addition, the Issuer may invest in resource companies in respect of which one or more of the Gravitas Partnerships have also invested and the holdings of the securities of such resource companies may be registered in the name of GFI, in its capacity as general partner of the Gravitas Partnerships. Any such potential conflicts will be dealt with in a similar manner as described above.

David Carbonaro, who serves as a Director of GFI, also serves as President and Director of GMC. Mr. Carbonaro indirectly controls approximately 19% of the voting securities of GFI and indirectly controls approximately 5% of the voting securities of the Manager. Mr. Carbonaro also serves as the President of several of the general partners of the Gravitas Partnerships in which GMC is currently an investor and in the future intends to invest.

Vikas Ranjan is the President and Director of GFI and holds approximately 12% of the voting securities of GFI and he is also the co-founder and Executive-Vice President of Ubika. Mr. Ranjan is also an Executive Vice President and Director of GMC. From time to time, Mr. Ranjan acts as an advisor to the leadership of GSI as well as other GFI affiliates.

Lawrence Xing is the controlling shareholder of Yuhua and is also the President of the Yuhua Group and the Chairman of GMC.

Patrick Sapphire, CFA is a Director and an Executive Vice-President of GMC and is also a shareholder of Yuhua, holding 10% of the common share of Yuhua.

Robert Carbonaro, who serves as CEO, UDP and head of GSI's investment banking activities and is a director and shareholder of GSI, is also the brother to David Carbonaro. Mr. Robert Carbonaro indirectly controls approximately 11.00% of the voting securities of GSI.

Neil Gilday, who serves as a director and shareholder of GSI, is also the portfolio manager of the Gravitas Partnerships. Mr. Gilday indirectly controls approximately 11.00% of the voting securities of GSI. Mr. Gilday is also EVP of Corporate Development and Strategy of GFI.

Wes Roberts is a consultant of GFI and GMC and from time to time provides technical advice to GSI. Mr. Roberts may also provide advice to GFI's affiliate Ubika as well as other GFI affiliates.

Bill Godson is an employee of GMC and from time to time provides technical advice to both GSI, GFI and its affiliate Ubika, as well as other GFI affiliates. From time to time, Mr. Godson may also already hold investments in underlying investments prior to the investment being made by the Issuer. In such instances, prior to the Issuer investing in such assets, the Trustee and the Manager will undertake a risk and conflict of interest review of the holding and will implement trading restrictions on Mr. Godson to ensure that the Issuer maintains client priority. Once an investment is made by the Issuer, Mr. Godson will be precluded from becoming a direct investor in that investment during the period that the investment is held by the Issuer.

It is not expected that the Manager will purchase any Trust Units however, GFI and the directors and officers and/or key principals of the Manager may acquire Trust Units and, as a result, may be in a position to influence the Issuer in a manner that may be counter to the interests of other Unitholders.

GMC is considered to be the "promoter" of the Issuer within the meaning of Applicable Securities Laws because GMC took the initiative in organizing and founding the Issuer.

Notwithstanding the above, while there are potential conflicts of interest, GSI and the Issuer are of the view that GSI and the Issuer are independent of each other for the purposes of this Offering.

ITEM 4– CAPITAL STRUCTURE

4.1 Capital

The Issuer

The following table sets out the capital structure of the Issuer as at the dates indicated:

Description of Security ⁽¹⁾	Number authorized to be issued	Price per Security ⁽²⁾	Number outstanding as at February 20, 2018
Class A Trust Units	Unlimited	\$10.00	1 ⁽³⁾
Class F Trust Units	Unlimited	\$10.00	Nil
Class O Trust Units	Unlimited	\$10.00	Nil

Notes:

- (1) The attributes and characteristics of each Class of Trust Units are set forth in "*ITEM 5- Securities Offered*".
- (2) This is the Subscription Price for the initial closing scheduled for on or about March 30, 2018. For all subsequent closings, the subscription price per Trust Unit will be the applicable Net Asset Value of the particular Class of Trust Units as at the applicable Valuation Date in the quarter in which the subscription for such Trust Units is accepted by the Issuer.
- (3) One Class A Trust Unit is currently held by the Trustee and will be repurchased by the Issuer concurrent with the initial closing.

4.2 Long-Term Debt Securities

As of the date of this Offering Memorandum, the Issuer has no long term debt.

4.3 Prior Sales

On January 24, 2018, the Issuer issued one Class A Trust Unit to the Trustee at a price of \$10.00 per Trust Unit for gross proceeds of \$10.00. The Class A Trust Unit currently held by the Trustee will be repurchased by the Issuer concurrent with the initial closing. Since its inception, the Issuer has not issued any other Trust Units.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

General

The securities being offered pursuant to the Offering are Trust Units of the Issuer. The Issuer is authorized to issue an unlimited number of Trust Units. Unless otherwise determined by the Trustee, each Trust Unit of a Class shall entitle the holder or holders thereof to one vote at a meeting of the Unitholders of the Issuer. All Trust Units of a Class shall rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit within a particular Class will be of equal value; however, the value of a Trust Unit in one Class may differ from the value of a Trust Unit in another Class. The Trustee may, in its discretion, determine the designation and attributes of each Class of Trust Units, which may include: the initial closing date and offering price for the first issuance of such Class of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders of the Issuer, and procedures in connection therewith (including a requirement to redeem Trust Units), the fees payable to the Trustee and/or Manager, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among classes and such additional Class specific attributes as the Trustee may, in its discretion, specify. The Trustee may prescribe in its discretion the maximum number of Trust Units of a Class or maximum dollar amount of Trust Units of a Class that may be sold in the Issuer. Additional Classes may be offered in the future on different terms, including having different fee and dealer compensation terms and different minimum subscription levels. The Issuer will consult with its tax advisors prior to the establishment of each new Class to ensure that the issuance of Trust Units of the Class will not have adverse Canadian tax consequences.

Each Trust Unit is transferable only in accordance with the Trust Indenture and subject to Applicable Securities Laws, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Below is a summary of the Trust Units being offered to Subscribers:

Class A Trust Units

Class A Trust Units will be issued to qualified purchasers who are not eligible to purchase Class F Trust Units or Class O Trust Units.

Class F Trust Units

Class F Trust Units will be issued to: (i) purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Issuer does not incur distribution costs; and (iii) qualified individual purchasers in the Trustee's sole discretion.

Class O Trust Units

Class O Trust Units will be issued to institutional investors at the discretion of the Manager. The Manager will negotiate the terms of purchase of the Class O Trust Units with each Subscriber. No sales commission is payable when a Subscriber buys or redeems Class O Trust Units. A Subscriber buying Class O Trust Units must enter into an agreement with the Manager before the Subscriber can buy Class O Trust Units.

Capital Contribution

In connection with the subscription of Trust Units under this Offering, each Unitholder will contribute to the capital of the Issuer the Subscription Price per Trust Unit, for each Trust Unit subscribed for. Unitholders will not be required to make any contribution to the capital of the Issuer in excess of that amount.

The Subscription Price per Trust Unit will be \$10.00 at the initial closing. For all subsequent closings under this Offering, the Subscription Price of the Trust Units will be equal to the applicable Net Asset Value of the particular Class of Trust Units as at the applicable Valuation Date in the quarter in which the subscription for such Trust Units is accepted by the Issuer.

Distributions

In accordance with the Issuer's investment objective to provide Unitholders with regular distributions, the Unitholders will be entitled to: (i) on a Distribution Record Date, an amount equal to the Net Income of the Issuer for the Distribution Period; (ii) on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Issuer for the Distribution Period; and (iii) upon termination of the Issuer, the remaining property of the Issuer *pro rata* with the holders of their respective Class of Trust Units in accordance to the aggregate number of Trust Units of that Class owned by such Unitholder. **Notwithstanding the above and subject to Applicable Securities Laws, unless otherwise determined by the Manager, all distributions of Net Income and Net Realized Capital Gains made by the Issuer (net of any deductions or withholdings required by law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.** See *ITEM 5 - "Securities Offered - Terms of Securities - Reinvestment"* below. Potential Subscribers should keep this policy in mind when determining whether or not an investment in the Issuer is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

On the last day of each fiscal year, an amount equal to the Net Income of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, *pro rata* in accordance with the number that Class of Trust Units then held (before giving effect to any issuances of Trust Units on such date). Further, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Issuer for the taxation year of the Issuer ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, *pro rata* in accordance with the number of Trust Units of that Class then held (before giving effect to any issuances of Trust Units on such date), except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Issuer would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Issuer ending in such fiscal year. For greater certainty, it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Issuer be paid or payable to Unitholders in each fiscal year so that the Issuer is not liable to pay tax under Part I of the Tax Act for the taxation year of the Issuer ending in such fiscal year. **Notwithstanding the above and subject to Applicable Securities Laws, unless otherwise determined by the Manager, all distributions of Net Income and Net Realized Capital Gains made by the Issuer (net of any deductions or withholdings required by law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.** See *ITEM 5 - "Securities Offered - Terms of Securities - Reinvestment"* below. Potential Subscribers should keep this policy in mind when determining whether or not an investment in the Issuer is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.

Redemption of Units

Notice and Redemption Dates

Following the expiration of the Lock-up Period, and subject to the discretion of the Trustee and the provisions of the Trust Indenture, all or any part of the Trust Units registered in the name of the Unitholder may be surrendered for redemption at any time at the demand of the Unitholder but will be redeemed only on a Redemption Date (defined below). On the last Business Day in any fiscal year after the date the Trust Unit was issued (or if such date is not a Business Day, then on the next Business Day thereafter) (the "**Redemption Date**"), Trust Units that have been surrendered by a Unitholder upon giving written notice to the Trustee prior to such Redemption Date will be redeemed at the prices determined and payable in accordance with the conditions set forth in the Trust Indenture.

To exercise a Unitholder's right to redemption, a duly completed and properly executed notice (the "**Notice**") requiring the Issuer to redeem Trust Units, in a form approved by the Trustee, together with the certificates representing the Trust Units to be redeemed, must be delivered to the Issuer at least 90 days prior to the Redemption Date of the applicable fiscal year in which the Trust Units are to be redeemed. If such Notice is not received at least 90 days prior to the Redemption Date of the applicable fiscal year in which the Trust Units are to be redeemed, such Notice shall be effective on the next following Redemption Date. On the next Redemption Date following the receipt by the Issuer of the Notice, the Unitholder shall cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefore). Trust Units shall be considered to be tendered for redemption on the next Redemption Date following the date that the Issuer has, to the satisfaction of the Trustee, received the Notice and other required documents or evidence.

Notwithstanding the above or any other provisions of the Trust Indenture, a Unitholder shall not be entitled to exercise its right to redeem Trust Units during the Lock-up Period.

Redemption Price

On each Redemption Date, the Trustee or the Manager shall pay to each holder of Class A Trust Units, Class F Trust Units and/or Class O Trust Units who has requested redemption out of the Trust Property an amount equal to the Net Asset Value per Trust Unit of that Class on the Redemption Date on which the redemption occurs, multiplied by the number of Trust Units of that Class to be redeemed, together with the proportionate share attributable to such Trust Units of that Class of any distribution of Net Income and Net Realized Capital Gains of the Issuer which has been declared and not paid prior to the Redemption Date and less any redemption or other fees and taxes payable by the Unitholder or required to be deducted.

The total amount payable by the Issuer in respect of redeemed Trust Units of any Class shall be paid within 60 days of the Redemption Date unless such redemption of Trust Units would result in the Trust losing its status as a "mutual fund trust" for the purposes of the Income Tax Act.

Redemption Restrictions

Except as otherwise determined by the Manager, in its sole discretion, the maximum aggregate number of Trust Units that may be redeemed by the Issuer on any applicable Redemption Date shall not exceed 25% of the total number of Trust Units issued and outstanding on such Redemption Date. To the extent that the Issuer has received Notices where the aggregate number of Trust Units would exceed this threshold, the Issuer shall redeem only such number of Trust Units as to require the redemption of an aggregate equal to the number of Trust Units in respect of redemptions of 25% of the total number of Trust Units issued and outstanding on such Redemption Date. The Issuer shall administer the foregoing and any cutbacks on a proportionate basis with respect to the aggregate number of Trust Units represented by Notices. Any Notices (or portions thereof) which are not honoured shall be honoured at the next following Redemption Date, subject in all cases to the 25% threshold described above and to the Issuer's right to suspend redemptions as described below, at the next following Redemption Date provided however, the Issuer will redeem such Trust Units on a pro rata basis based on the number of Trust Units tendered for redemption which have not been redeemed, on the next Redemption Date before it redeems any other Trust Units it has been requested to redeem and, for such purposes, the requests to redeem such Trust Units will be deemed to have been received by the Issuer on the next Redemption Date in the order in which they were originally received.

Suspension of Redemptions

The Issuer may suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units in such circumstances as the Trustee may reasonably determine. Examples of such circumstances include, without limitation, if the Trustee reasonably determines that: (i) for the whole or any part of a period during which normal

trading is substantially restricted or suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, if those securities represent more than 50% by value of the total assets of the Issuer, without allowance for liabilities; (ii) the assets of the Issuer are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (iii) there exists a state of affairs that constitutes circumstances under which liquidation by the Issuer of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Issuer or Unitholders generally; (iv) not suspending redemptions would have an adverse effect on continuing Unitholders; (v) conditions exist which impair the ability of the Trustee to determine the value of the assets of the Issuer; (vi) such redemptions would cause the Issuer not to meet certain minimum distribution requirements pursuant to the Tax Act; or (vii) such redemptions would otherwise cause the Issuer to cease to qualify as a "mutual fund trust" as defined in the Tax Act. The Issuer may also suspend the redemption of Trust Units upon an announcement by the Trustee that the Issuer will be terminated.

When a suspension occurs, a Unitholder who has submitted a Notice may either withdraw the Notice by notice in writing to the Issuer or by so instructing the Unitholder's registered dealer, or to receive payment based on the applicable Net Asset Value per Trust Unit of that Class, as determined on the next Redemption Date following the termination of the suspension.

Redemptions at the Demand of Trustee

Further, the Trustee may, at any time, and from time to time, in respect of the Trust Units, by giving thirty (30) Business Days' prior written notice, redeem all or any portion of the outstanding Trust Units for a redemption price per Trust Unit equal to the Net Asset Value of the Class of Trust Units being redeemed, plus any and all accrued but unpaid distributions payable in respect of the Trust Units being redeemed. If the Trustee sends such notice, the notice must specify the number of Trust Units to be redeemed.

Computation of Net Asset Value per Trust Unit

The Net Asset Value of the Trust Units is determined by the Trustee. The value given to any investment funds or pooled fund investments held by the Issuer on a Valuation Date or Redemption Date is derived from the most recent net asset value information available to the Trustee on that Valuation Date or Redemption Date. Often, the only valuation information available is an estimate of the net asset value of the applicable investment fund or pooled fund as of the Valuation Date or Redemption Date, which in turn is based on estimated values of the investment fund's or pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the investment fund or pooled fund may show an actual value that is different from the estimated value previously provided. No adjustment will be made to the number of Trust Units purchased or redeemed by a Unitholder because of the use of estimated values in determining the net asset value of the Issuer and the Net Asset Value of each Class of Trust Units of the Issuer.

Liquidation, Dissolution or Termination of the Trust

Upon the winding up or termination of the Issuer, the Trustee shall sell and convert into money the Trust Property and do all other acts appropriate to liquidate the Issuer, acting in accordance with the directions, if any, of the Unitholders, as applicable. After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Issuer and providing for an indemnity against any other outstanding liabilities and obligations, the Trustee shall distribute the remaining part of the proceeds of the sale of the Trust Property to the Unitholders in accordance with their entitlements to the Trust Property on a wind-up or termination of the Issuer, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

Meetings of Unitholders

At the discretion of the Trustee, there shall be a meeting of the Unitholders for the purpose of the appointment of auditors of the Issuer, the election of a successor Trustee, if required, and to transact such other business as may be deemed necessary. A meeting of the Unitholders is to be held at a minimum of once every 36 months from the date of the Trust Indenture. At a meeting of Unitholders, or a meeting of a Class of Unitholders, as applicable, each Unitholder will have one vote for each Trust Unit owned by such Unitholder at the close of business on the record date for voting for such meeting.

Unitholders holding not less than 25% of all votes, or 25% of all votes of a Class, as the case may be, may requisition the Trustee to call a special meeting of the Unitholders, or the Unitholders of that Class, as the case may

be, in accordance with the provisions of the Trust Indenture. The holders of Trust Units shall be entitled to receive notice of and attend all meetings (except for meetings of a particular Class). A notice of such meeting shall be given to each Unitholder not less than 21 days in advance of the meeting and will state the nature of the business to be transacted. A quorum will consist of one or more Unitholders present in person or by proxy holding at least 5% of the votes entitled to be voted at the meeting. Any resolution passed will be binding on all of the Unitholders of the Issuer.

Unitholders shall be entitled to pass resolutions that will bind the Trustee only with respect to the: (i) election or removal of the Trustee; (ii) the appointment or removal of the auditor; (iii) amendments of the Trust Indenture; (iv) the termination or dissolution of the Issuer; and (v) any matters otherwise that require the approval of the Unitholders as set forth in the Trust Indenture. Except for these matters, no resolution of Unitholders shall bind the Trustee.

The above is a summary of the terms of the Trust Units. Potential Subscribers are also strongly encouraged to review the Trust Indenture attached hereto as Schedule "A" for a full description of the Trust Units and the rights and limitations applicable to Unitholders.

5.2 Subscription Procedure

Subscription Documents

Subscribers who wish to purchase Trust Units will be required to enter into a Subscription Agreement with the Issuer by completing and delivering the Subscription Agreement and related documentation to the Issuer. The Subscription Agreement contains, among other things, representations and warranties required to be made by the Subscriber that it is duly authorized to purchase the Trust Units, that it is purchasing the Trust Units for investment and not with a view for resale and as to its corporate status or other qualifications to purchase Trust Units on a "private placement" basis. Reference is made to the Subscription Agreement and related documentation, a copy of which is attached hereto as Schedule "B", for the specific terms of these representations, warranties and conditions.

Units may be purchased in the following manner:

- (i) by the execution of the Subscription Agreement, as well as any documentation required by the Securities Regulatory Authorities of the jurisdiction in which they are resident (copies of which are attached to the Subscription Agreement);
- (ii) deliver to GSI, in trust, the Subscription Price in respect of the Trust Units subscribed for by way of a certified cheque or bank draft payable to the Issuer or to "Gravitas Securities Inc., in trust" or in such other manner as is acceptable to GSI; and
- (iii) deliver all of the foregoing to GSI in accordance with the instructions set out in the Subscription Agreement.

The first closing of this Offering is expected to occur on or about the Closing. Other closings will occur subsequent to that date.

All Subscription Proceeds will be held in trust until midnight on the second Business Day after the day the Subscriber signs the Subscription Agreement. In the event that such Subscriber provides the Issuer with a cancellation notice prior to midnight of the second Business Day after the signing date, or the Issuer does not accept such Subscriber's subscription, all Subscription Proceeds will be promptly returned to such Subscriber without interest or deduction.

You should carefully review the terms of the Subscription Agreement attached hereto for more detailed information concerning the rights and obligations applicable to you and the Issuer. Execution and delivery of the Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. **You should consult with your own professional advisors.**

Exemptions from Prospectus Requirements

Canada

The Trust Units are being offered in the Selling Jurisdictions pursuant to exemptions under Applicable Securities Laws. Such exemptions relieve the Issuer from provisions under Applicable Securities Laws requiring the Issuer to file a prospectus and, therefore, Subscribers do not receive the benefits associated with a subscription for securities

issued pursuant to a filed prospectus, including the review of material by a Securities Regulatory Authority or similar authority.

The sale of Trust Units pursuant to this Offering Memorandum is being made in the Selling Jurisdictions under certain statutory exemptions from the prospectus requirements set out in National Instrument 45-106 – Prospectus and Registration Exemptions ("**NI 45-106**"). Specifically, the sale of Trust Units is being made pursuant to Section 2.9 of NI 45-106 (the "**Offering Memorandum Exemption**"), Section 2.3 of NI 45-106 and Section 73.3 of the *Securities Act* (Ontario) (the "**Accredited Investor Exemption**") and Section 2.10 of NI 45-106 (the "**Minimum Investment Exemption**"). **Please carefully review the accompanying Subscription Agreement to determine the prospectus exemption requirements that apply to you.**

Pursuant to the Agency Agreement, the material terms of which are described herein, GSI has agreed to use its commercially reasonable efforts to sell the Trust Units under the Offering to qualified purchasers in one or more of the Selling Jurisdictions. GSI is registered in the categories of investment fund manager in Ontario and investment dealer in Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan. GSI is a member of IIROC. See "*ITEM 7 - Compensation Paid to Sellers and Finders*".

Other Jurisdictions

The sale of Trust Units pursuant to this Offering Memorandum may also be made in other jurisdictions provided that the Subscriber provides to the Issuer the full particulars of the exemption from the registration and prospectus requirements under Applicable Securities Laws being relied on and evidence of the Subscriber's qualifications thereunder.

Each Subscriber is urged to consult with his own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.

ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Tax Advice

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

6.2 Canadian Federal Income Tax Considerations

This summary is of a general nature only and is not intended to be, nor should it be, construed to be legal or tax advice to any particular investor. Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition, holding, and disposition of Trust Units under this Offering Memorandum.

The following summary describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act at all relevant times, is a resident of Canada, holds the Trust Units as capital property and deals at arm's length and is not affiliated with the Issuer. Generally, the Trust Units will be considered to be capital property to a holder provided the holder does not hold the Trust Units in the course of carrying on a business of trading or dealing in Trust Units and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have their Trust Units treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to: (a) a holder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (b) a holder an interest in which is a "tax shelter investment" under the Tax Act, (c) a holder that is a "specified financial institution" as defined in the Tax Act, (d) a holder to whom the functional currency reporting rules in subsection 261(4) of the Tax Act would apply, or (e) a holder that has entered into a "derivative forward agreement" with respect to a Trust Unit as that term is defined in the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in the Trust Units.

This summary is based upon the provisions of the Tax Act and the Regulations in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies of the CRA published in writing and publicly available prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted substantially in the form proposed, although there can be no assurance that the Proposed Amendments will be enacted as proposed or at all.

This summary is based on the assumption that the Issuer will at all times comply with the Trust Indenture. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or administrative policy or assessing practice, whether by legislative, governmental or judicial action or interpretation. This summary specifically does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

(a) *Status of the Issuer*

This summary assumes that the Issuer will qualify at the closing of the Offering, and will continue to qualify thereafter, as a "mutual fund trust" as defined in the Tax Act and that the Issuer will be able to elect and will elect to be deemed to be a "mutual fund trust" from the date of its settlement. In order to qualify as a mutual fund trust, in addition to qualifying as a "unit trust" as defined in the Tax Act, the Issuer must satisfy the following conditions:

- (i) the undertaking of the Issuer must be limited to a combination of the investing of its funds in property (other than real property or interests in real property) and the acquiring, holding, maintaining, improving, leasing or managing of any real property or an interest in real property, that is capital property of the Issuer;
- (ii) the Issuer must comply on a continuous basis with certain requirements relating to the qualification of the Trust Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Trust Units; and
- (iii) the Issuer may not reasonably be considered to have been established or maintained primarily for the benefit of non-residents of Canada under the Tax Act.

The Trustee has advised counsel that it intends to ensure that the Issuer will meet these requirements at all times; however, no assurance can be given in this regard. If the Issuer were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described below would, in some respects, be materially different.

This summary has been prepared on the assumption that the Issuer will not be a "SIFT trust" for purposes of the Tax Act. The Trustee has advised counsel that it has no current intention to arrange to have the Trust Units listed on a stock exchange or on any other public market, and as such, the Issuer should not constitute a SIFT trust. If the Issuer were to become a SIFT trust, the Canadian federal income tax consequences for the Issuer and for Unitholders would be materially different from those described herein.

(b) *Taxation Principles Applicable to the Issuer*

The taxation year of the Issuer is the calendar year. In each taxation year, the Issuer will be subject to tax under Part I of the Tax Act on its income for the year. In computing its income, the Issuer may generally deduct reasonable amounts on account of interest, administrative, management and other expenses incurred by it in the course of carrying on its investment undertaking for the purpose of earning income and which expenses are not reimbursed to it.

Under the Trust Indenture, an amount equal to all of the income of the Issuer and any net taxable capital gains realized by the Issuer together with the non-taxable portion of any net capital gains realized by the Issuer will generally be paid or become payable in the year to Unitholders by way of distributions of Trust Units and/or cash. Income and net capital gains of the Issuer payable to Unitholders will generally be deductible by the Issuer in computing its income. The Trustee has advised counsel that the Issuer will distribute a sufficient amount of its income (including Net Realized Capital Gains) to Unitholders such that the Issuer generally will not be liable for income tax under Part I of the Tax Act, however, no assurance can be given in this regard.

(c) *Unitholders*

(i) Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Issuer for a taxation year, including net taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in additional Trust Units, cash or otherwise. The non-taxable portion of net capital gains of the Issuer that is paid or becomes payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Issuer that is paid or becomes payable by the Issuer to a Unitholder in that year

will not generally be included in the Unitholder's income for the year. However, the payment by the Issuer of such excess amount, other than as proceeds of disposition of Trust Units, will generally reduce the adjusted cost base of the Trust Units held by such Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Trust Unit in the year in which the negative amount arises and the Unitholder's adjusted cost base of the Trust Unit will be nil immediately thereafter. See the discussion below entitled "Capital Gains and Capital Losses".

If appropriate designations are made by the Issuer, such portion of the net taxable capital gains of the Issuer and any taxable dividends received from taxable Canadian corporations as are paid or become payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act. See the discussion below entitled "Capital Gains and Capital Losses".

A Unitholder that is an individual (other than certain trusts) and that has taxable dividends paid or made payable to them by the Issuer will be required to include those dividends in their income and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations (as defined in the Tax Act), including the enhanced dividend tax credit for "eligible dividends" (as defined in the Tax Act). Dividends received by the Issuer that are designated as eligible dividends will retain their character in the hands of the Unitholders where such dividends are paid or made payable by the Issuer to the Unitholders.

A holder of Trust Units that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act of 38 1/3% on taxable dividends received by the Issuer and that are paid or become payable to the Unitholder. This tax will generally be refunded to such a corporation at a rate of 38 1/3% of taxable dividends paid while it is a private corporation.

All other income of the Issuer that is paid or becomes payable to a Unitholder generally will be considered income from property, irrespective of its source. Any loss of the Issuer for the purposes of the Tax Act cannot be allocated to, or treated as a loss of, the Unitholder.

A holder of Trust Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 10 2/3% on certain investment income, including such portion of the income of the Issuer and net taxable capital gains of the Issuer that are paid or become payable to the Unitholder, other than taxable dividends from taxable Canadian corporations.

Taxable dividends received by a Unitholder that is an individual (including certain trusts) may increase the Unitholder's liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

(ii) Acquisition of Trust Units

The adjusted cost base of a Trust Unit acquired by a Unitholder pursuant to this Offering will include all amounts paid or payable by the Unitholder for the Trust Unit, with certain adjustments. The adjusted cost base of any Trust Units received as a distribution from the Issuer will be equal to the fair market value of such Trust Units. The adjusted cost base of a Trust Unit held by a Unitholder will be determined by averaging the adjusted cost base of all Trust Units held by the Unitholder as capital property.

(iii) Disposition of Trust Units

Upon the disposition or deemed disposition by a Unitholder of a Trust Unit, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Trust Unit and any reasonable costs of disposition.

A redemption of Trust Units pursuant to the Trust Indenture in consideration for cash or promissory notes issued by the Issuer to the redeeming Unitholder, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to the amount of cash or the fair market value of such promissory notes. Redeeming Unitholders will consequently realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the adjusted cost base of the Trust Units so redeemed.

(iv) Capital Gains and Capital Losses

One-half of any capital gain (a "taxable capital gain") realized by a Unitholder and the amount of any net taxable capital gains designated by the Issuer in respect of the Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition or designation, as the case may be, as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss (an "allowable capital loss") realized by a

Unitholder upon a disposition of Trust Units in a particular taxation year may be deducted against (i) any taxable capital gains realized by the Unitholder in such taxation year, (ii) net taxable capital gains in any of the three preceding taxation years; and (iii) net taxable capital gains in any subsequent taxation year.

A holder of Trust Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 10 2/3% on certain investment income, including taxable capital gains.

Capital gains realized by a Unitholder that is an individual (including certain trusts) may increase the Unitholder's liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

6.3 Eligibility for Investment

Provided that the Issuer maintains its status as a mutual fund trust, the Trust Units will be qualified investments under the Tax Act for Exempt Plans (subject to the specific provisions of any particular Exempt Plan). However, the holder of a TFSA, or the annuitant of a RRSP or a RRIF (a "**Controlling Individual**"), which holds Trust Units will be subject to a penalty tax if the Trust Units held in the TFSA, RRSP or RRIF are a "prohibited investment" as defined in the Tax Act for the TFSA, RRSP or RRIF. The Trust Units will generally be a "prohibited investment" if the Controlling Individual (i) does not deal at arm's length with the Issuer for the purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Issuer. Unitholders who intend to hold Trust Units in a TFSA, RRSP or RRIF should consult their own tax advisors in regards to the application of these rules in their particular circumstances.

Where an Exempt Plan receives promissory notes as a result of a redemption of Trust Units, such promissory notes may not be qualified investments for the Exempt Plan. Accordingly, Exempt Plans that own Trust Units should consult their own tax advisors before deciding to exercise their redemption rights.

If the Issuer ceases to qualify as a mutual fund trust, it may be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Issuer may have adverse income tax consequences for certain holders of Trust Units, including Exempt Plans that acquire an interest in the Issuer directly or indirectly from another holder of Trust Units.

If the Issuer ceases to qualify as a mutual fund trust, it may cease to be a qualified investment for Exempt Plans, and may result in significant adverse tax consequences to the Exempt Plan and/or to the Controlling Individual.

6.4 Taxation of Unitholders Not Resident in Canada

Unitholders who, for the purposes of the Tax Act and any relevant tax treaty, are not resident in Canada and are not deemed to be resident in Canada should consult their own tax advisors regarding their particular circumstances.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder and no representations with respect to the income tax consequences are made to any particular Unitholder. Consequently, prospective Subscribers should consult their own tax advisors with respect to their particular circumstances. Unitholders who are residents of Canada, but who are also subject to the tax laws of another jurisdiction (such as the United States of America), should consult their own tax advisors.

ITEM 7- COMPENSATION PAID TO SELLERS AND FINDERS

7.1 Fees and Commissions

GSI is registered in the categories of investment fund manager in Ontario and investment dealer in Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan. GSI is a member of IIROC. Pursuant to the Agency Agreement, the material terms of which are described below, GSI has agreed to use its commercially reasonable efforts to sell the Trust Units under the offering to qualified purchasers in one or more of the Selling Jurisdictions.

GSI may form a sub-agency group that includes other qualified registered dealers lawfully authorized to sell the Trust Units in one or more of the Selling Jurisdictions and will determine and pay the fees payable to such dealers.

The Issuer has agreed to pay to GSI and other qualified registered dealers the Trailer Fees based on the gross proceeds from the Trust Units sold by GSI and other qualified registered dealers under the Agency Agreement. The Trailer Fees, plus any applicable taxes, will be calculated by the Issuer on the last day of each quarter beginning with the quarter in which the Class A Trust Units were issued and pro-rated for the quarter of issue based on the

number of days from and including the issue date to and including the last day of the quarter and for the fiscal year in which the Class A Trust Units were redeemed based on the number of days the Trust Units were held in such fiscal year to and including the redemption date. The Trailer Fees will be paid quarterly and will be payable for so long as the Trust Units remain outstanding.

The Trailer Fees will assist the Agents in providing Unitholders with continuing advice and service. The Manager may, at its discretion, negotiate, change the terms and conditions of, change the frequency of payment, or discontinue the Trailing Fees with the Agents. No Trailing Fees will be paid in respect of the Class F Trust Units or the Class O Trust Units.

In addition, the Agent (and certain selling agent(s) at the discretion of the Agent) will be entitled to a payment in the amount of 1% of the gross proceeds from the Trust Units sold by GSI sold under the Agency Agreement, representing their portion of the Issue Expenses, reimbursing them for dealer platform and distribution override fees.

Any other fees payable to such dealers will be paid directly by GSI from the fees GSI generates under the Management Agreement, as well as from its general corporate funds.

To the extent permitted by law, the Issuer has agreed to indemnify and save GSI, its dealing representatives, its affiliates and its directors, officers, employees, partners, agents, advisors and shareholders harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (other than losses of profit in connection with the distribution of the Trust Units) (collectively, the "**Liabilities**") to which such persons or companies may be subject or which such persons or companies may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of: (i) any information or statement contained in the public record (other than any information or statement relating solely to GSI and furnished to the Issuer by GSI expressly for inclusion in the public record) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made; (ii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to GSI and provided to the Issuer by GSI expressly for inclusion in the public record) contained in the public record; (iii) any prohibition or restriction of trading in the securities of the Issuer or any prohibition or restriction affecting the distribution of the Trust Units imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in the Agency Agreement (other than any information or statement relating solely to GSI and furnished to the Issuer by GSI expressly for inclusion in the public record); (iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities into the affairs of the Issuer relating to or affecting the distribution of the Trust Units other than any such order, inquiry, investigation or other proceeding based substantively upon the activities or alleged activities of GSI; (v) any breach of, default under or non-compliance by the Issuer with any representation, warranty, covenant, term or condition of the Agency Agreement, the Subscription Agreement or any requirement of Applicable Securities Laws; or (vi) the exercise by any Subscriber of any contractual or statutory right of rescission in connection with the purchase of the Trust Units; unless such Liabilities arose as a result of the indemnified person's breach of, default under or non-compliance with any material representation, warranty, covenant, term, condition or provision of the Agency Agreement.

To the extent permitted by law, GSI has agreed to indemnify and save the Issuer, its affiliates and its directors, officers, employees, partners, agents, advisors and shareholders harmless from and against any and all Liabilities to which such persons or companies may be subject or which such persons or companies may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of: (i) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities into the affairs of GSI relating to or affecting the distribution of the Trust Units other than any such order, inquiry, investigation or other proceeding based substantively upon the activities or alleged activities of GSI; or (ii) any breach of, default under or non-compliance by GSI with any representation, warranty, covenant, term or condition of the Agency Agreement; unless such Liabilities arose as a result of the indemnified person's breach of, default under or non-compliance with any material representation, warranty, covenant, term, condition or provision of the Agency Agreement.

GSI may terminate its obligations under the Agency Agreement by notice in writing to the Issuer at any time if: (a) there occurs any material change or a change in any material fact which materially adversely affects or, in the sole opinion of GSI, acting reasonably, could reasonably be expected to materially adversely affect GSI's ability to perform its obligations under the Agency Agreement or to act as agent of the Issuer; (b) any enquiry, action, suit, investigation or other proceeding whether formal or informal is instituted or threatened, or any order is made by any

federal, provincial or other governmental authority, commission or agency in relation to the Issuer, the directors or the Trust Units, which, in the sole opinion of GSI, acting reasonably, operates to prevent or materially adversely affects the distribution of the Trust Units under this Offering or which, in the sole opinion of GSI, acting reasonably, would reasonably be expected to have a significant effect on the value of the Trust Units; (c) there is an occurrence of any nature which, in the opinion of GSI, acting reasonably, seriously affects or will seriously affect the marketability of the Trust Units, the business of the Issuer or the ability of the Issuer to perform its obligations under the Agency Agreement; (d) the Issuer is in material breach of any material term of the Agency Agreement and has failed to cure such breach within 14 days after receiving written notice of such breach from GSI; or (e) GSI determines that any of the representations or warranties made by the Issuer in the Agency Agreement is false or has become false.

Notwithstanding the other termination provisions set out in the Agency Agreement, any party may terminate the Agency Agreement upon 30 days prior written notice to the other party or the Agency Agreement may be terminated at any time by mutual consent in writing of all of the parties.

There are conflicts of interest between the Issuer, the Trustee and the Manager as it relates to this Offering and the administration of the Issuer. In particular, the Manager will be entitled to receive Trailer Fees pursuant to the terms of the Agency Agreement and will receive the Management Fee and the Performance Fee, as may be applicable, pursuant to the terms of the Management Agreement. See "0 - Interests of Directors, Management, Promoters and Principal Holders – Conflicts of Interest".

It is not expected that the Manager will purchase any Trust Units however, GFI and the directors and officers and/or key principals of the Manager may acquire Trust Units and, as a result, may be in a position to influence the Issuer in a manner that may be counter to the interests of other Unitholders.

GMC is considered to be the "promoter" of the Issuer within the meaning of Applicable Securities Laws because GMC took the initiative in organizing and founding the Issuer.

Notwithstanding the above, GSI is of the view that these relationships will not affect or interfere with GSI's independence under this Offering and its duties under the Agency Agreement and the Management Agreement.

The Issuer may in the future engage other dealers to sell the Offering and will compensate such dealers on commercially reasonable terms. Also, the Issuer may in the future pay fees in respect of sales of its Trust Units at or near prevailing or customary market rates and may also reimburse or otherwise compensate on commercially reasonable terms other related entities that pay such commissions or fees.

ITEM 8- RISK FACTORS

Investment in the Trust Units should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Trust Units at this time is highly speculative due to the stage of the Issuer's development and the structure of the Issuer. Unitholders must rely on the management of the Trustee and the Manager. Any investment in the Issuer at this stage involves a high degree of risk.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of Trust Units. An investment in the Trust Units involves various risks and uncertainties. The risks discussed in this Offering Memorandum can adversely affect the Issuer's operations, operating results, prospects and financial condition. This could cause the value of the Trust Units to decline and cause Unitholders therein to lose part or all of their investment. In addition to those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Issuer is not presently aware may also harm the Issuer's activities. The following is a summary only of the material risk factors involved in an investment in the Trust Units. Prospective Subscribers should review the risks with their legal, investment, tax and financial advisors.

8.1 Investment Risk

Among the risks of investing in the Issuer are the following:

- (a) **No Guaranteed Return** - There is no guarantee that an investment in Trust Units will earn any positive return in the short or long-term. The Net Asset Value of the Trust Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Issuer. Investment in the Trust Units may be more volatile and risky than some other forms of investments. The Issuer does not intend to make cash distributions to Unitholders other than those made in connection with the

redemption of the Trust Units. All prospective Subscribers should consider an investment in the Issuer within the overall context of their investment goals and risk tolerances.

- (b) **Highly Speculative** - The purchase of Trust Units is highly speculative. A potential Subscriber should purchase Trust Units only if it is able to bear the risk of the entire loss of its investment. An investment in the Trust Units should not constitute a significant portion of a Subscriber's investment portfolio. Potential Subscribers should review closely the investment objectives and investment strategies to be utilized by the Issuer as outlined in this Offering Memorandum to familiarize themselves with the risks associated with an investment in the Issuer. Each prospective Subscriber is responsible for determining if an investment in the Issuer of the size contemplated by the prospective Subscriber is appropriate for that prospective Subscriber. There is no assurance that the Issuer will be able to achieve its investment objectives.
- (c) **Investment Not Liquid** - The Trust Units will be subject to a number of resale restrictions, including a restriction on trading. A Unitholder will not be able to trade or transfer the Trust Units unless it complies with very limited exemptions from the prospectus and registration requirements under Applicable Securities Laws. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading will not expire. There is no market over which the Trust Units may be traded and it is very unlikely that one will develop. Consequently, Unitholders may not be able to liquidate their Trust Units in a timely manner, if at all, or pledge their Trust Units as collateral for loans. An investment in Trust Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to this investment. (See *ITEM 10— Resale Restrictions*). Further, a Unitholder may surrender its Trust Units for redemption at any time in accordance with the provisions of the Trust Indenture. See "*ITEM 5— Securities Offered – Terms of Securities*".
- (d) **Nature of the Trust Units** - The Trust Units are neither fixed income nor equity securities. An investment in Trust Units does not constitute an investment by Unitholders in the securities included in the portfolio of the Issuer. Unitholders will not own the securities held by the Issuer by virtue of owning Trust Units of the Issuer. Trust Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders.
- (e) **Loss of Investment** - An investment in Trust Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. The Issuer is not a member institution of the Canada Deposit Insurance Corporation and the Trust Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation.
- (f) **Possible Effect of Redemptions** - Substantial redemptions of Trust Units could cause the Trust Units to cease to qualify as investments that may be held by a registered plan. Further, substantial redemptions of the Trust Units could require the Issuer to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund the redemptions and achieve a market position appropriately reflecting a smaller assets base. As a result, the Trustee may be forced to suspend or postpone redemption of the Trust Units and the Trust Units may cease to be eligible to be held in the applicable registered plan. Further, such factors could adversely affect the value of the Trust Units remaining.
- (g) **Regulatory Review** - This Offering Memorandum constitutes an offering of the securities described herein only in those jurisdictions and to those Persons where and to whom they may be lawfully offered for sale and is not, and under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Subscribers will not have the benefit of a review of the material by any regulatory authority.
- (h) **Offering** - There can be no assurance regarding the amount of proceeds that may be obtained under the Offering. If less Trust Units are sold pursuant to this Offering than expected, the Issuer will have less funds available to invest in its portfolio of securities. This could have a material adverse effect on the business plan of the Issuer as it may not be able to invest the proceeds of this Offering as originally intended. Many of the costs of this investment are fixed in nature and a smaller portfolio of investment could make the investment structure non-economic.

8.2 Risks Related to the Issuer's Investments

Among the risks in the investment of a portfolio of securities are the following:

- (a) **Fixed Income Securities** – The Issuer may invest in fixed income securities. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments and obligations (i.e. credit

risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e. market risk). If fixed income investments are not held to maturity, the Issuer may suffer a loss at the time of sale of such securities.

- (b) **Illiquid Securities** - There is no assurance that an adequate market will exist for the securities included in the portfolio of the Issuer and it cannot be predicted whether the investments included in the portfolio will trade at a discount to, a premium to, or at their respective par or maturity values. If the market for a specific investment is particularly illiquid, the Issuer may be unable to acquire or dispose of such investments or may be unable to acquire or dispose of such investments at an acceptable price.
- (c) **American Depository Securities and Receipts** - In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, the Issuer may hold these securities through an American Depository Security and Receipt (an "**ADR**"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. corporation. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. corporation to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange rate relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Issuer, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the Issuer if it holds the ADR.
- (d) **Equity Securities** - To the extent that the Issuer holds equity securities, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Issuer are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Issuer. Additionally, to the extent that the Issuer holds any foreign investments, it will be influenced by world political and economic factors and by the value of the Canadian dollar as measured against foreign currencies which will be used in valuing the foreign investment position held by the Issuer.
- (e) **Derivatives** - Derivatives for hedging and other investment purposes will be used by the Issuer only to the extent that the Manager considers appropriate and as described above. Hedging involves special risks including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager'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. The use of currency hedging could result in the Issuer incurring losses as a result of the imposition of exchange controls, suspension of settlements, or the inability to deliver or receipt a specified currency.

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 Issuer to enter into transactions which hedge against generally anticipated changes in currencies. The use of currency hedging could result in the Issuer incurring losses as a result of the imposition of exchange controls, suspension of settlements, or the inability to deliver or receipt a specified currency.

The use of options entails certain special risks. Call options will not protect the Issuer from declines in the value of the underlying security and may limit the Issuer's potential to realize a gain on the value of the underlying security. The Issuer may also forego potential returns resulting from any price appreciation of the security underlying the option above the exercise price in favour of the certainty of receiving the option premium. Purchasing call options may expose the Issuer to losses if the value of the underlying security has decreased compared to the transaction price at which the Issuer may purchase the security. Selling put options may expose the Issuer to losses if the value of the underlying security has decreased when compared to the transaction price that the Issuer must purchase the security. Purchasing put options on securities exposes the Issuer to losses if the value of the underlying security has increased in value when compared to the transaction price at which the Issuer may sell the security. 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 Issuer to realize its profits or limit its losses by closing out certain positions. If the Issuer 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 Issuer to close out a position may be affected by

exchange imposed daily trading limits on options. The change in volatility of an option may change the value associated with the option and the proceeds that the Issuer may receive from the sale of that option.

- (f) **Short Sale Equity Positions** - The Issuer 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. While the Manager will engage in these transactions predominantly for hedging purposes, there can be no assurance that the security will experience declines in market value and this could result in the Issuer incurring unlimited 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. The Manager may selectively engage in transactions which limit the potential liability of the Issuer for unanticipated shifts in the market value of these securities. The use of short sales requires the use of margin which will only be used in accordance with the rules of the IIROC.
- (g) **Credit Risk** - Credit risk can cause the value of a debt security, such as a bond or other fixed income security, to decrease or increase. This risk includes:
- *Default risk:* This is the risk that the issuer of the debt will not be able to pay interest, principal, or repay the debt when it becomes due. Generally, the higher the risk of default, the lower the value of the debt security and the higher the interest rate.
 - *Credit spread risk:* This is the risk that the credit spread will increase. Credit spread is the difference in interest rates between the issuer's bond and a bond considered to have little credit risk. An increase in credit spread generally decreases the value of a debt security.
 - *Downgrade risk:* This is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating generally decreases the value of a debt security.
 - *Collateral risk:* This is the risk that it will be difficult to sell the assets the issuer has given as collateral for the debt or that the value of the assets may be less than any claim on them. This difficulty could cause a decrease in the value of a debt security.
 - *Sovereign risk:* This is the risk that a debt security of an issuer may decrease in value due to fiscal, political or monetary actions affecting the country in which such issuer is located. Such actions may include the bankruptcy or default by the country, acts of war or international sanctions.
- (h) **Leverage Risks** - The Issuer may use leverage in an effort to realize greater profits from its security selection. The use of leverage will, in many instances, enable the Issuer to achieve a higher rate of return than would be otherwise possible. The instruments and borrowings utilized by the Issuer to leverage investments may be collateralized by the Issuer's portfolio. Accordingly, the Issuer may pledge its financial instruments in order to borrow additional funds or otherwise obtain leverage for investment or other purposes. The amount of borrowings which the Issuer may have outstanding at any time may be substantial in relation to its capital.

The use of leverage will allow the Issuer to borrow in order to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital and any capital commitments. The use of leverage will magnify the volatility of changes in the value of the investments of the Issuer. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Issuer in a market that moves adversely to its investments could result in substantial losses to the Issuer, which would be greater than if the Issuer were not leveraged.

While leverage increases the buying power of the Issuer and presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. For example, funds borrowed for leveraging will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Issuer's portfolio. Leverage will increase the investment return of the Issuer if an investment purchased with or utilizing leverage earns a greater return than the cost to the Issuer of such leverage. The use of leverage will decrease the investment return if the Issuer fails to recover the cost of such leverage.

The Issuer may also invest in financial instruments and investment and pooled funds, which themselves employ leverage, and may thereby indirectly assume some of the risks of employing leverage.

- (i) **Cash deposit risk** - To the extent that assets of the issuers are placed on deposit with a financial institution, the issuers are exposed to a risk that the financial institution may be unable to meet its obligations to the issuers. To reduce this risk, the issuers generally only place cash on deposit with the issuers' custodian or sub-custodians or with major financial institutions.
- (j) **Foreign Currency Exposure** - The portfolio of the Issuer may hold investments denominated in currencies other than the Canadian dollar for both hedging and investment purposes. Accordingly, exchange rate fluctuations may cause the value of the portfolio of the Issuer to diminish or increase. Transactions to hedge against changes to the exchange rates between Canadian and foreign currencies, if any, may not be effective or profitable. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances. Although the Manager may adopt a hedging strategy in respect of some or all of these currencies, it is possible that some or all of such exposure will remain unhedged. In addition, the Manager may take long/short speculative positions on currencies based on the Manager's view of macroeconomic and other factors.

8.3 Issuer Risk

Among the risks of investing in the Issuer are the following:

- (a) **Limited Operating History** –The Issuer is newly formed with no previous operating history. Its operations are subject to the risks inherent in the establishment of a new investment activity, including a lack of operating history. The Issuer has been formed primarily for the purpose of investing in a portfolio of securities and it does not have a record of performance to be relied upon. The Issuer cannot be certain that its investment strategy will be successful or that its investment objectives will be attained. The likelihood of success must be considered in light of the volatility, market conditions, expenses, difficulties and complications frequently encountered in connection with a securities investment. If the Issuer fails to address any of these risks or difficulties adequately, its investment performance will likely suffer. Future profits, if any, will depend upon various factors, many of which are out of the Issuer's control. There is no assurance that the Issuer can operate profitably or that it will successfully implement its investment plans.
- (b) **Reliance on Management** – Unitholders must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the Trustee in the management of the Issuer. However most of the responsibility for generating returns and the performance of the Issuer is the responsibility of the Manager who will be providing investment advisory and portfolio management services to the Issuer. The Manager will depend, to a great extent, on the services of a limited number of individuals in the administration of the Issuer's activities. Opportunities to seek recourse against the Manager are limited by contract and common law doctrines of privity and proximity. The loss of key management and personnel of the Manager would have a material adverse impact on the success of the investment plan and could impair the ability of the Manager to perform the Issuer Services. Further, if the Manager ceased to be the Manager of the Issuer, the performance of the Issuer and the ability to generate returns may be adversely affected. Accordingly, Subscribers must carefully evaluate the personal experience and business performance of each of the officers and directors of the Manager.
- (c) **Changes in Tax Status** - It is intended that the Issuer continue to qualify as a mutual fund trust for the purposes of the Tax Act. The Issuer may not, however, always be able to satisfy future requirements for the maintenance of mutual fund trust status. Some of the significant consequences of the Issuer losing mutual fund trust status are as follows:
 - (viii) The Issuer would be taxed on certain types of income distributed to Unitholders. Payment of this tax may have adverse consequences for certain Unitholders, particularly Unitholders that are not residents of Canada and residents of Canada that are otherwise exempt from Canadian income tax.
 - (ix) Trust Units held by Unitholders that are non-residents of Canada would become taxable Canadian property. These non-resident Unitholders would be subject to Canadian income tax on any gains realized on a disposition of Trust Units held by them, subject to the application of an exemption under an income tax convention.
 - (x) The Trust Units would not constitute qualified investments for Exempt Plans, which may result in adverse tax consequences.

The Issuer may take certain measures in the future to the extent the Issuer believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Unitholders.

- (d) **Ability to Pay Net Income and/or Net Realized Capital Gains** – The Issuer's ability to pay Net Income and/or Net Realized Capital Gains to the Unitholders in accordance with the terms of the Trust Indenture is dependent upon the Issuer's ability to generate Net Income. This in turn depends on the performance of the investment portfolio of the Issuer, the success of the Manager's investment strategies and the securities in which the Issuer invests on the advice of the Manager. The Trust Units have not been nor will they be rated by a bond-rating agency. As a result of these factors, this Offering is only suitable to those investors who are willing to rely on the management of the Trustee and the Manager and who can afford to lose their entire investment.
- (e) **Significant Investor** - It is expected that, at any time, Unitholders in the Issuer may include individual Unitholders with significant holdings in the outstanding Trust Units. The presence of a large investor helps to mitigate the burden of the fixed costs of the Issuer by effectively spreading the impact of such costs over a larger Net Asset Value than would otherwise be the case. By the same token, any large redemption by such a Unitholder will raise the impact of such fixed costs on remaining Unitholders. Large orders to purchase or sell the Trust Units in the Issuer by such significant Unitholders may, individually or on a combined basis, also result in parallel investment/disinvestment transactions by the Issuer in one or more of its underlying assets. This could in turn possibly impact the value of such investments thereby affecting the Net Asset Value of the Trust Units.
- (f) **Continuous Disclosure Obligations** – The Issuer is not a reporting issuer and does not have any continuous disclosure obligations.
- (g) **Distributions and Allocations of the Issuer** - If the Issuer has taxable income for Canadian federal income tax purposes for a fiscal year, such income will generally be distributed to Unitholders in accordance with the provisions of the Trust Indenture and will be required to be included in computing their income for tax purposes, irrespective of the fact that cash may not have been distributed to Unitholders. Since distributions of income of the Issuer to Unitholders will only be made in accordance with the terms of the Trust Indenture, such distributions to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience. **Subject to Applicable Securities Laws, unless otherwise determined by the Manager, all distributions of Net Income and Net Realized Capital Gains made by the Issuer (net of any deductions or withholdings required by law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.** Potential Subscribers should keep this policy in mind when determining whether or not an investment in the Issuer is suitable for their particular circumstances. The Manager reserves the right to change such policy, and may elect to have distributions paid in cash.
- (h) **Tax Liability** - While the Issuer has been structured so that it generally will not be liable to pay income tax, the information available to the Issuer relating to the characterization, for tax purposes, of the distributions received by the Issuer in any taxation year of the Issuer may be insufficient at the end of that taxation year to ensure that the Issuer will make sufficient distributions in order that the Issuer will not be liable to pay income tax in respect of that year.

In determining its income for tax purposes, the Issuer will treat option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains or capital losses, as the case may be, in accordance with its understanding of CRA's published administrative policies and assessing practices. Gains or losses realized upon the disposition of securities upon exercise of a call option will be treated as capital gains or losses. If, contrary to the CRA's published administrative practice, some or all of the transactions undertaken by the Issuer in respect of options and securities were treated as income rather than capital gains, the Issuer could be liable to pay income tax on such amounts and after-tax returns to Unitholders could be reduced.

- (i) **Unitholder Liability** - The Trust Indenture provides that no Unitholder shall be liable in connection with the ownership or use of Trust Property, the obligations or activities of the Issuer, any acts or omissions of the Trustee in respect of the affairs of the Issuer or any taxes or fines payable by the Issuer or the Trustee, provided that each Unitholder remains responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. However, if any personal liability may also rise in respect of claims

against the Issuer that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities, the Unitholder will be indemnified for such claims to the extent provided for in the Trust Indenture. The operations of the Issuer will be conducted, upon the advice of legal counsel, in such a way and in such jurisdictions so as to avoid, to the maximum extent possible, any material risk of liability to the Unitholders for claims against the Issuer.

The Issuer shall have no liability to reimburse any Person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any Person by reason of ownership or disposition of Trust Units.

On July 11, 2004, the *Income Trusts Liability Act* (Alberta) (the "**ITLA**") came into force. The ITLA protects unitholders of Alberta income trusts that are reporting issuers under the *Securities Act* (Alberta) from legal uncertainties regarding potential liability by providing a statutory limitation on unitholders' liability. Specifically, the ITLA provides that a unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the trustee that arises after the ITLA came into force. The Issuer has no current plans to become a reporting issuer and accordingly, Unitholders will not have the benefit of this protection.

- (j) **Rights of Unitholders** - Although the Trust Indenture confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation, there do exist some significant differences. Unlike shareholders of an ABCA corporation, Unitholders do not have a comparable right to make a Unitholder proposal at a general meeting of the Issuer. The matters in respect of which Unitholder approval is required under the Trust Indenture are generally less extensive than the rights conferred on the shareholders of an ABCA corporation, but extend to certain fundamental actions that may be undertaken by the Issuer.

Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares when certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going-private transaction or the addition, change or removal of provisions restricting: (i) the business or businesses that the corporation can carry on; or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the Issuer are entitled to redeem their Trust Units, as described in "*ITEM 5- Securities Offered - Terms of Securities*". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of securityholders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders can rely only on the general provisions of the Trust Indenture which permit the winding-up of the Issuer with the approval of a Special Resolution of the Unitholders.

Shareholders of a corporation may also apply to a court for the appointment of an inspector and other investigative procedures, to examine the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. By virtue of the right to requisition a meeting of Unitholders, the Trust Indenture allows Unitholders to call meetings to consider such matters as may be put forth by the Unitholder(s) in the requisition notice. Corporate statutes also permit shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Trust Indenture does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Issuer.

- (k) **Changes in Investment Strategy** - The Manager may alter the Issuer's investment strategies and restrictions without prior approval by Unitholders to adapt to changing circumstances, subject to advising Unitholders of any material changes in writing.
- (l) **Tax Aspects** - It is possible that the Issuer could become a SIFT trust for the purposes of the Tax Act if the Trust Units became listed for trading or if a public market is created on which the Trust Units are traded. If the Issuer became a SIFT trust adverse tax consequences could result to the Issuer and the Unitholders. The Trust Indenture prohibits the listing of the Units and there is no intention to list the Trust Units.

The discussion of certain Canadian federal income tax considerations in this Offering Memorandum is based upon current Canadian federal income tax laws and regulations. There can be no assurance that (a) tax laws, regulations or judicial or administrative interpretations will not be changed, (b) applicable tax

authorities will not take a different view as to the interpretation or the application of tax laws and regulations than the Issuer or than as set out in this Offering Memorandum, (c) applicable tax authorities will not challenge allocations by the Issuer or income, losses, gains or deductions or disallow certain deductions against income, or (d) the facts upon which the tax discussions set out in this Offering Memorandum are based are materially correct. Any of the preceding may fundamentally alter, in a negative way, the tax consequences to investors of holding or disposing of Trust Units.

The discussion of certain Canadian federal income tax considerations contained in this Offering Memorandum is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of Trust Units. Prospective investors are urged to consult their own tax advisors, prior to investing in the Issuer, with respect to the specific tax consequences to them from the acquisition of Trust Units, including any income tax considerations of other jurisdiction which tax may be subject.

All investors will be responsible for the preparation and filing of their own Canadian tax returns in respect of this investment. Costs associated with the preparation and filing of such returns may be material. Potential investors should consult their own tax advisors for the specific Canadian federal and provincial and other tax consequences to them.

- (m) **Unitholders Not Entitled to Participate in Management** - Unitholders are not entitled to participate in the management or control of the Issuer or its operations. Unitholders do not have any input into the Issuer's trading.
- (n) **Lack of Independent Experts Representing Unitholders** - Each of the Issuer and the Trustee has consulted with legal counsel regarding the formation and terms of the Issuer and the Offering of Trust Units. The Unitholders have, however, not been independently represented. Therefore, to the extent that the Issuer, the Unitholders or this Offering could benefit by further independent review, such has not occurred. Each prospective Subscriber should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Issuer.
- (o) **Independence and Conflicts of Interests of Officers, Directors and Trustee** - No assurance can be given that the Trustee or the directors or officers of the Manager will be considered to be independent within the meaning of Applicable Securities Laws. Further, neither the Trustee or the directors or officers of the Manager will be devoting all of their time to the affairs of the Issuer but will be devoting such time as required to effectively manage such entities, as applicable. There are potential conflicts of interest to which the Trustee or the directors or officers of the Manager will be subject in connection with the operations of the Issuer. The directors and officers of the Manager may acquire Trust Units pursuant to the Offering and, as a result, may own significant numbers of Trust Units and may be in a position to influence the Issuer in a manner that may be counter to the interests of other Unitholders. The directors and officers of the Manager may be engaged in the identification and evaluation, with a view to potential acquisition, of interests in businesses on their own behalf and situations may arise where these persons will be in direct competition with the Issuer. The Manager's investment decisions for the Issuer will be made independently of those made for the other clients of the Manager and independently of its own investments. However, on occasion, the Manager may make the same investment for the Issuer and one or more of its other clients. Where the Issuer and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. The Manager will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios, the relative size and rate of growth of the Issuer and the other funds under common management and such other factors as the Manager considers relevant in the circumstances.
- (p) **Early Termination** - In the event of early termination of the Issuer, the Issuer would distribute to the Unitholders *pro rata* their interest in the assets of the Issuer available for such distribution, subject to the rights of the Trustee to retain monies for costs and expenses. Certain assets held by the Issuer may be illiquid and might have little or no marketable value. In addition, the assets held by the Issuer would have to be sold by the Issuer or may be distributed in kind to the Unitholders. It is possible that at the time of such sale or distribution certain securities held by the Issuer would be worth less than the initial cost of such assets, resulting in a loss to the Unitholders.
- (q) **Potential Indemnification Obligations** - Under certain circumstances, the Issuer might be subject to significant indemnification obligations in favour of the Trustee and other service providers. The Issuer will

not carry any insurance to cover such potential obligations and, to the Trustee's knowledge, none of the foregoing parties will be insured for losses for which the Issuer has agreed to indemnify them. Any indemnification paid by the Issuer would reduce the net asset value of the Issuer and, by extension, the Net Asset Value of the Trust Units.

- (r) **Trust Loss Restriction** - If the Issuer experiences a "trust loss restriction event" at a time when it does not meet certain investment diversification criteria set forth in the Tax Act, (i) the Issuer will be deemed to have a year-end for tax purposes, and (ii) the Issuer will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Issuer will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Issuer, or a group of persons becomes a "majority-interest group of beneficiaries" of the Issuer, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Issuer will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Issuer.
- (s) **Single Asset Type** - The Issuer was formed solely for the purpose of acquiring an investment portfolio of securities. The return on the investment in the portfolio investment will be directly tied to the performance of the underlying securities of such investments and the investment strategy of the Manager. The investment in the portfolio investment will represent the only significant assets of the Issuer and therefore the Issuer's financial performance will be directly tied to the performance of these investments.
- (t) **No Involvement of Registered Investment Dealers** - No independent investment dealer (IIROC registered) or other selling agent unaffiliated with GSI has made any review or investigation of the terms of this Offering, the structure of the Issuer or the background of the Trustee or the Manager.
- (u) **Fees and Expenses** - The Issuer is obligated to pay certain fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether it realizes profits.
- (v) **Lack of Separate Counsel** - The Unitholders, as a group, have not been represented by separate counsel and counsel for the Issuer does not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

8.4 Industry Risk

The Net Asset Value of the Trust Units and the availability of cash to pay Net Income and/or Net Realized Capital Gains to the Unitholders in accordance with the terms of the Trust Indenture are entirely dependent upon the success of the proposed investment by the Issuer and the performance of the Manager. Among the industry risks are the following:

- (a) **Global Financial Developments** - Global financial markets have experienced a sharp increase in volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments have worked to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that, if it continues, it will be successful or these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Further, continued market concerns about the European sovereign debt crisis and matters related to the U.S. government debt limits may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Issuer and the value of the portfolio securities. A substantial drop in the markets in which the Issuer invests could be expected to have a negative effect on the Issuer.
- (b) **International Investment Generally** - The Issuer may invest in securities of foreign issuers or governments either directly or through the use of equity related or derivative instruments and investments denominated or traded in currencies other than Canadian dollars. These investments involve certain

considerations not typically associated with investments in Canadian issuers, the Canadian government or securities denominated or traded in Canadian dollars. These considerations include: (a) the potential effect of foreign exchange controls (including suspension of the ability to transfer currency from a given country or to realize on the Issuer's investments); (b) changes in the rate of exchange between the Canadian dollar (the currency in which the Issuer calculates its net asset value and distributions) and other currencies in which the Issuer's investments are denominated, which changes will affect the Canadian dollar value of the Issuer; (c) the application of foreign tax law, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations; (d) the effect of local market conditions on the availability of public information, the liquidity of securities issued by local governments traded on local exchanges and the transaction costs and administrative practices of local markets; (e) the fact that the Issuer's assets may be held by governments, in accounts by custodians or pledged to creditors of the Issuer, in jurisdictions outside of Canada so that there can be no assurance that judgments obtained in Canadian courts will be enforceable in any of those jurisdictions; and (f) in some countries, political or social instability or diplomatic developments could adversely affect, or result in the complete loss of, such investments. The possibility of expropriation, confiscatory taxation or nationalization of foreign bank deposits or other assets, lack of comprehensive tax, legal and regulatory systems, which may result in the Issuer being unable to enforce its legal rights or protect its investments, and the imposition of foreign governmental laws or restrictions could affect investments in securities of issuers or governments in those nations. Restrictions and controls on investment in the securities markets of some countries may have an adverse effect on the availability and costs to the Issuer of investments in those countries. Costs may be incurred in connection with the conversions between various currencies. In addition, the income and gains of the Issuer may be subject to withholding taxes imposed by foreign governments for which LP Unitholders may not receive a full foreign tax credit.

- (c) **Fluctuations in Net Asset Value** - The Net Asset Value of each Class of Trust Units will fluctuate with changes in the market value of the Issuer's investments. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to international investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the Issuer.
- (d) **Interest Rate Fluctuations** - It is anticipated that the market price for the Trust Units at any given time will be affected by the level of interest rates prevailing at such time. Large changes in interest rates may have a negative effect on the market price of the Trust Units. Unitholders who wish to redeem or sell their Trust Units may, therefore, be exposed to the risk that the redemption price or sale price of the Trust Units will be negatively affected by interest rate fluctuations.
- (e) **Valuation of the Issuer's Investments** - Valuation of the securities held in the Issuer's portfolio and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the net asset value of the Issuer and the Net Asset Value per Trust Unit could consequently be adversely affected. Independent pricing information may not at times be available regarding certain of the Issuer's investments in various portfolio securities.

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

- (f) **Concentration** - The pursuit of the Issuer's investment strategies, as described above under "*ITEM 2 - Business of the Issuer - Our Business*", may require investments to be concentrated in a particular sub-set of issuers. The value of a more concentrated fund may be more volatile than the value of a more diversified investment fund because a concentrated fund is more affected by individual issuers and securities.

- (g) **Class Risk** - The Issuer has multiple Classes of Trust Units. Each Class may be charged, as a separate Class, any expenses that are specifically attributable to that Class. However, if the Issuer cannot pay the expenses of one Class using its proportionate share of the Issuer's assets, the Issuer will be required to pay those expenses out of the other Classes' proportionate share of the Issuer's assets which could lower the investment returns of the other Classes.
- (h) **Changes in Legislation** - There can be no assurance that the applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the investments in the portfolio securities and the Issuer and its Unitholders. The regulatory environment for investment funds offered in the exempt market is evolving and changes to it may adversely affect the Issuer. To the extent that regulators adopt practices of regulatory oversight in the area of investment funds offered in the exempt market that create additional compliance, transaction, disclosure or other costs for such funds, returns of the Issuer may be negatively affected. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts and governmental authorities will not be changed in a manner which adversely affects the distributions received by the Issuer or by the Unitholders.
- (i) **Legal, Tax and Regulatory Risks** - Legal, tax and regulatory changes to laws or administrative practice could occur during the term of the Issuer which may adversely affect the Issuer. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Issuer and the ability of the Issuer to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of the Issuer's earnings as capital gains or income which may consequently increase the level of tax borne by Unitholders as a result of increased taxable distributions from the Issuer. There can be no assurance that Canadian federal income tax laws and administrative policies and assessing practices of the CRA respecting the treatment of trusts, including mutual fund trusts, will not be changed in a manner that adversely affects the Unitholders. If the Issuer ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "*ITEM 6 - Income Tax Consequences and RRSP Eligibility - Canadian Federal Income Tax Considerations*" would be materially and adversely different in certain respects.
- (j) **U.S. Withholding Tax Risk** - Generally, the Foreign Account Tax Compliance provisions of the U.S. *Hiring Incentives to Restore Employment Act of 2010* (or "**FATCA**") impose a 30% withholding tax on "withholdable payments" made to a mutual fund, unless the mutual fund enters into a FATCA agreement with the U.S. Internal Revenue Service (the "**IRS**") (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA may in certain cases require a mutual fund to request and obtain certain information from certain of its investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and in certain cases to disclose such information and documentation to the IRS.

Under the terms of the intergovernmental agreement between Canada and the U.S. to provide for the implementation of FATCA (the "**Canada-U.S. IGA**"), and its implementing provisions under the Tax Act, the Issuer will be treated as complying with FATCA and not subject to the 30% withholding tax if the Issuer complies with the terms of the Canada-U.S. IGA and its implementing provisions under the Tax Act. Under the terms of the Canada-U.S. IGA, the Issuer will not have to enter into an individual FATCA agreement with the IRS but the Issuer will be required to register with the IRS and to identify and report certain information on accounts held by U.S. persons owning, directly or indirectly, an interest in the Issuer, or held by certain other persons or entities. In addition, the Issuer will not have to provide information directly to the IRS but instead will be required to report information to the CRA. The CRA will in turn exchange information with the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Issuer and providing residency and identity information, through the Agent or otherwise, a Unitholder is deemed to consent to the Issuer disclosing such information to the CRA. If the Issuer is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the net asset value of the Issuer and may result in reduced investment returns to Unitholders. It is possible that there are administrative costs arising from compliance with FATCA.

- (k) **Market Disruptions** - War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and

markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers in the portfolio of the Issuer. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time by the Issuer.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing Trust Units described herein. Potential Subscribers should read this entire Offering Memorandum and the attached Subscription Agreement carefully and consult with their legal and other professional advisors before determining to invest in Trust Units of the Issuer.

ITEM 9 - REPORTING OBLIGATIONS

9.1 Reporting

The Issuer is not subject to continuous reporting and disclosure obligations which the securities legislation in any province would require of a "reporting issuer" as defined in such legislation and there is, therefore, no requirement that the Issuer make disclosure of its affairs, including, without limitation, the prompt notification of material changes by way of press releases and formal filings or the preparation of quarterly unaudited financial statements and annual audited financial statements in accordance with generally accepted accounting principles. **The Issuer is not currently required to send you any documents on an annual or ongoing basis.**

The Manager will send to all Unitholders, the financial statements of the Issuer together with comparative financial statements for the preceding fiscal year, if any, and the report of the accountant thereon, within 120 days of the end of the fiscal year of the Issuer.

On or before March 31 in each year, or such date as may be required under law, the Issuer shall provide to Unitholders who received distributions from the Issuer in the prior calendar year, such information regarding the Issuer required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

The Manager shall prepare and maintain adequate accounting records. Unitholders have the right to obtain, on demand and without fee, from the Issuer, a copy of the Trust Indenture and minutes of meetings of Unitholders and any written resolutions of Unitholders passed in lieu of a meeting. Unitholders will also be entitled to examine a list of Unitholders.

ITEM 10 - RESALE RESTRICTIONS

10.1 General Statement

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

The Issuer is not: (i) a reporting issuer in any Canadian province or territory, nor (ii) a SEDAR filer in any Canadian province or territory. As a result, the Units will be subject to an indefinite hold period.

Notwithstanding the above, and subject to approval by the Trustee, Unitholders may be able to transfer between certain Classes of Units, and to transfer Trust Units to another person pursuant to another exemption from the prospectus requirements of Applicable Securities Laws or pursuant to an order permitting such transfer granted by applicable securities regulatory authorities. Further, securities legislation in Canada does contain exemptions that will permit Unitholders to redeem their Trust Units.

Units are not transferable without prior written consent of the Trustee. Such consent may be withheld by the Trustee at its discretion, and in any case will be withheld if such a transfer is not permitted by Applicable Securities Laws. The Trustee will be entitled to require and may require, as a condition of allowing any transfer of any Trust Unit, the transferor or transferee, at their expense, to furnish to the Trustee evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Trustee) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

A transfer or sale of a Trust Unit shall not be binding until the following has occurred:

- (a) the details of the transfer or sale have been reported to the Issuer;
- (a) the Trustee has received an acceptable form of transfer; and

- (b) the transfer or sale has been recorded on the applicable registers of the Issuer.

The transfer or sale of a Trust Unit must be of a whole Trust Unit, unless such Trust Unit already exists as a fraction.

10.2 Restricted Period

For trades in Alberta, British Columbia, Saskatchewan and Ontario:

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

The Issuer will not become a reporting issuer upon completion of this Offering and does not currently anticipate ever becoming a reporting issuer. **The resale restriction on the securities may therefore never expire.**

For trades in Manitoba:

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

- (a) the Issuer has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for the prospectus; or
- (b) you have held the securities for at least 12 months.

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

The foregoing is a summary of resale restrictions relevant to Subscribers of Trust Units offered hereby. The foregoing is not intended to be exhaustive and all Subscribers under this Offering should consult with their own professional advisers with respect to restriction on the transferability, resale and availability of further exemptions relating to the Trust Units offered hereunder.

ITEM 11 - PURCHASER'S RIGHTS

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

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

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

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

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Issuer by midnight on the second Business Day after you sign the Subscription Agreement to buy Trust Units.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Subscribers in British Columbia, Alberta and Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (1) the Issuer to cancel your agreement to buy the Trust Units; or
- (2) for damages against:
 - a) if you are resident in Alberta or Manitoba:
 - i) the Issuer;
 - ii) every director of the Issuer at the date of this Offering Memorandum; and
 - iii) every person or company who signed this Offering Memorandum; and
 - b) if you are resident in British Columbia:
 - i) the Issuer;
 - ii) every director of the Issuer at the date of this Offering Memorandum; and
 - iii) every person who signed this Offering Memorandum.

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

Time limitations

If you intend to rely on the rights described above in paragraph (1) or (2), you must do so within strict time limitations.

You must commence an action to cancel the agreement within:

- (1) if you are resident in Alberta, 180 days from the date of the transaction that gave rise to the cause of action; and
- (2) if you are resident in British Columbia or Manitoba, 180 days after the date of the transaction that gave rise to the cause of action.

You must commence an action for damages within:

- (1) if you are resident in Alberta, the earlier of:
 - a) 180 days from the date that you first had knowledge of the facts giving rise to the cause of action; or
 - b) 3 years from the day of the transaction that gave rise to the cause of action.
- (2) if you are resident in British Columbia, the earlier of:
 - a) 180 days after you first had knowledge of the facts giving rise to the cause of action; or
 - b) 3 years after the date of the transaction that gave rise to the cause of action.
- (3) if you are resident in Manitoba, the earlier of:
 - a) 180 days after the date you first had knowledge of the facts giving rise to the cause of action; or
 - b) 2 years after the date of the transaction that gave rise to the cause of action.

Subscribers in Ontario

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

damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

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

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

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of: (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

Section 132.1 of the *Securities Act* (Ontario) provides a defence to liability for misrepresentations in respect of forward-looking information if the Issuer proves that: (i) the offering memorandum contains reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and (ii) the Issuer has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward looking information.

Subscribers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

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

- (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

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

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

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

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

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 139.1 of the Saskatchewan Act provides a defence to liability for misrepresentations in respect of forward-looking information if the Issuer proves that: (i) the document containing the forward-looking information contains reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and (ii) the Issuer has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward looking information.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

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

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

General

The securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario are complex. Reference should be made to the full text of the provisions summarized above relating to contractual and statutory rights of action. **Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which Subscribers may have at law.**

ITEM 12 - FINANCIAL STATEMENTS

The Issuer has included its audited statement of financial position as at January 31, 2018 including the related notes thereto in this Offering Memorandum. The Issuer has prepared its financial statements in accordance with IFRS.

**SCHEDULE "A" TO THE
OFFERING MEMORANDUM OF
GRAVITAS SPECIAL SITUATIONS FUND**

Trust Indenture

TRUST INDENTURE

creating

Gravitas Special Situations Fund

(Mutual Fund Trust)

Made as of January 24, 2018

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THIS TRUST INDENTURE is made effective as of the 24th day of January, 2018.

AMONG:

CHRIS GUTHRIE, an individual residing in the City of Toronto, in the Province of Ontario, (hereinafter called the "**Trustee**") of the trust constituted by this Trust Indenture

- and -

JEFFREY HELPER, an individual residing in the City of Calgary in the Province of Alberta (hereinafter called the "**Settlor**")

- and -

GRAVITAS SECURITIES INC., a corporation incorporated under the laws in the Province of Alberta (hereinafter called the "**Manager**")

RECITALS

WHEREAS the Settlor desires to settle and create a trust for the purpose of, among other things, acquiring a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United States in order to generate capital growth and all transactions related thereto, and has paid to the Trustee the sum of \$10.00 (the "**Initial Contribution**") for the purpose of settling the Trust constituted hereby;

AND WHEREAS the Trustee has agreed to hold the Initial Contribution paid by the Settlor to the Trustee, and all amounts and assets subsequently received under this Trust Indenture (the "**Trust Indenture**") upon the trusts and in accordance with the provisions set forth therein;

AND WHEREAS the Trustee desires that the beneficiaries of the Trust shall be the holders of Trust Units as hereinafter provided;

AND WHEREAS it is intended that the Trust will offer the Trust Units for sale and the proceeds shall be used to acquire a diversified portfolio of investments, primarily directly and/or indirectly in the securities of private and public issuers located primarily in Canada and the United States in order to generate capital growth;

AND WHEREAS the parties hereto desire to set out the agreements, terms and conditions which shall govern the mutual and respective rights, powers and obligations of the parties hereto with respect to the management and administration of the Trust;

NOW THEREFORE THIS TRUST INDENTURE WITNESSETH THAT the parties hereto declare and agree with each other as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, the following terms have the meanings ascribed to them below:

- (a) "**Affiliate**" has the same meaning as in the *Securities Act* (Alberta);
- (b) "**Applicable Law**" means, unless the context otherwise dictates, any applicable statute of Canada or of a province or territory of Canada or any applicable regulations, orders, instruments, policies or other laws made under statutory authority by any governmental or regulatory body or agency;
- (c) "**Associate**" means, in relation to another person ("**Other Person**"):
 - (i) a person of which the Other Person beneficially owns or controls, directly or indirectly, voting securities entitling the Other Person to more than 10% of the voting rights attached to outstanding securities of the person;
 - (ii) any person who is a partner of the Other Person;
 - (iii) any trust or estate in which the Other Person has a substantial beneficial interest or in respect of which the Other Person serves as trustee or in a similar capacity;
 - (iv) in the case where the Other Person is an individual, a relative of that individual, including:
 - (A) the spouse of that individual; or
 - (B) a relative of that individual's spouse;
 if the relative has the same home as that individual;
- (d) "**Auditors**" means the firm of chartered professional accountants that may be appointed as the auditors of the Trust from time to time in accordance with the provisions hereof;
- (e) "**Beneficiary**" has the meaning given to it in Section 12.2(b);
- (f) "**Bid Trust Units**" has the meaning given to it in Section 3.28;
- (g) "**Book-Entry System**" means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of CDS in force from time to time, or any successor system which CDS may offer from time to time;
- (h) "**Business Day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Toronto, Ontario are not open for business;
- (i) "**Cash Redemption Price**" has the meaning given to it in Section 6.3;
- (j) "**CDS**" means The Canadian Depository for Securities Limited, or a successor thereof;
- (k) "**CDS Participant**" means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;
- (l) "**Class**" means a particular class of Trust Units, as may be applicable in the context. Each Trust Unit of a class will have equal value, but may differ in value from Trust Units in another Class and each Class of Trust Units may have different rights and restrictions, different fee and dealer compensation terms and different minimum subscription levels;
- (m) "**Class A Trust Units**" means those Trust Units designated as Class A Trust Units and which will be offered to investors who are not eligible to purchase Class F Trust Units or Class O Trust Units;
- (n) "**Class F Trust Units**" means those Trust Units designated as Class F Trust Units and which will be offered to (i) investors who participate in fee-based programs through eligible registered

- dealers; (ii) investors in respect of whom the Trust does not incur distribution costs; and (iii) qualified investors in the Manager's sole discretion;
- (o) "**Class O Trust Units**" means those Trust Units designated as Class O Trust Units and which will be issued to institutional investors at the discretion of the Manager. The Manager will negotiate the terms of purchase of the Class O Trust Units with each prospective investor;
 - (p) "**Class Net Asset Value**" and "**Class Net Asset Value per Trust Unit**" have the meanings given to them in Section 3.9;
 - (q) "**Close of Business**" means 5:00 p.m. (Toronto time) on a particular date;
 - (r) "**Closing**" means the completion (which may occur on more than one date) of the issue and sale of Trust Units pursuant to the Offering;
 - (s) "**control**" and related terms including "controlling" and "controlled", shall mean the possession by or on behalf of a person, directly or indirectly, of voting securities of another person (i) which carry more than 50% of the votes that may be cast to elect directors (or other persons serving in a capacity similar to directors of a corporation) of such other person, other than for the purpose of giving collateral for a bona fide debt, and (ii) where the votes carried by the securities referred to in clause (i) are sufficient, if exercised, to elect a majority of the board of directors (or other person serving in a capacity similar to directors of a corporation) of such other person;
 - (t) "**Depository**" has the meaning given to it in Section 3.12;
 - (u) "**Distribution Payment Date**" means the last day of each fiscal year of the Trust;
 - (v) "**Distribution Period**" means each fiscal year of the Trust, or such other periods in respect of the Trust Units as may be hereinafter determined from time to time by the Trustee from and including the first day thereof and to and including the last day thereof;
 - (w) "**Distribution Record Date**" means the last Business Day of each Distribution Period;
 - (x) "**Global Unit Certificate**" has the meaning given to it in Section 3.12;
 - (y) "**Governing Authority**" means any stock exchange or any court or governmental department, regulatory body, commission, board, bureau, agency, or instrumentality of Canada, or of any state, province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing;
 - (z) "**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time;
 - (aa) "**Indenture Conferred Duties**" means all rights, powers and duties conferred upon, granted and delegated to the Manager pursuant to the terms of this Trust Indenture;
 - (bb) "**Internal Reorganization**" means the sale, lease, exchange, transfer or other disposition of the Trust Property (whether or not involving all or substantially all of the Trust Property), the result of which the Trust has an interest, whether direct or indirect, in assets or property (including money) equal to the value of the Trust Property prior to the reorganization and, for greater certainty, includes a sale of the Trust Property for cash or an amalgamation, arrangement or merger of the Trust and its Affiliates with any entities;
 - (cc) "**Lock-up Period**" means the period beginning on the date the Trust Unit was issued and expiring on the date that is the first anniversary thereafter;
 - (dd) "**Management Agreement**" means the portfolio manager and investment fund manager agreement dated January 24, 2018 between the Manager and the Trust;

- (ee) "**Manager**" means Gravitas Securities Inc., a corporation incorporated under the laws of the Province of Alberta, and all successors and permitted assigns thereof;
- (ff) "**Meeting of Unitholders**" shall mean and include, as the circumstances require, both an ordinary meeting of Unitholders and any other meeting of Unitholders;
- (gg) "**Net Asset Value of the Trust**" has the meaning given to it in Section 3.9;
- (hh) "**Net Income**" or "**Net Loss**" of the Trust for any taxation year means the income or loss of the Trust for such year computed in accordance with the provisions of the Income Tax Act other than paragraph 82(1)(b) and subsection 104(6) of the Income Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of the Trust thereunder; provided, however, that (i) no account shall be taken of any gain or loss, whether realized or unrealized, that would, if realized, be a capital gain or capital loss for the purposes of the Income Tax Act; (ii) if any amount has been designated by the Trust under subsection 104(19) of the Income Tax Act, such designation shall be disregarded; (iii) if such calculation results in income there shall be deducted the amount of any non-capital losses (as defined in the Income Tax Act) of the Trust for any preceding years, and Net Income of the Trust for any period means the income of the Trust for such period computed in accordance with the foregoing as if that period were the taxation year of the Trust;
- (ii) "**Net Realized Capital Gains**" of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds (i) the aggregate of the capital losses of the Trust for the year, (ii) any capital gains which are realized by the Trust as a result of a redemption of Trust Units pursuant to Article 6, and (iii) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Income Tax Act to deduct in computing the taxable income of the Trust for the year, all as computed in accordance with the provisions of the Income Tax Act;
- (jj) "**Non-resident**" means a person who, at the relevant time, is not resident in Canada within the meaning of the Income Tax Act and includes a partnership that is not a Canadian partnership within the meaning of the Income Tax Act;
- (kk) "**non-tendering offeree**" means, in the case of a take-over bid made for Bid Trust Units, a holder of Bid Trust Units who does not accept the take-over bid, and includes a subsequent holder of such Bid Trust Units who acquires them from the first mentioned holder;
- (ll) "**offeree**" means a person to whom a take-over bid is made;
- (mm) "**Offering**" means any issuance, offering or sale of Trust Units or Other Trust Securities;
- (nn) "**Offering Documents**" means any one or more of a term sheet, an information memorandum, private placement offering memorandum, prospectus and similar public or private offering document, or any understanding, commitment or agreement to issue or offer Trust Units or any Other Trust Securities;
- (oo) "**Offering Memorandum**" means any offering memorandum of the Trust in respect of an Offering;
- (pp) "**offeror**" means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly, make a take-over bid jointly or in concert;
- (qq) "**Ordinary Resolution**" means: (i) a resolution passed by more than 50% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a Meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or (ii) a resolution approved in writing, in one or more counterparts,

by holders of more than 50% of the votes represented by those Trust Units entitled to be voted on such resolution;

- (rr) "**Other Trust Securities**" means any type of securities of the Trust, other than Trust Units, including options rights, warrants and other securities convertible into or exercisable for Trust Units or other securities of the Trust (including convertible debt securities, subscription receipts and instalment receipts);
- (ss) "**Redemption Date**" has the meaning given to it in Section 6.1;
- (tt) "**Register**" has the meaning given to it in Section 3.17;
- (uu) "**Special Resolution**" means: (i) a resolution passed by more than $66\frac{2}{3}\%$ of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a Meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or (ii) a resolution approved in writing, in one or more counterparts, by holders of more than $66\frac{2}{3}\%$ of the votes represented by those Trust Units entitled to be voted on such resolution;
- (vv) "**Subscription Agreement**" means the subscription agreement that needs to be completed by a subscriber for the purchase of Trust Units;
- (ww) "**Tax**" or "**Taxes**" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, royalties, duties, deductions, compulsory loans or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and worker compensation premiums, together with any instalments, and any interest, fines and penalties, imposed by any Governmental Authority, whether disputed or not;
- (xx) "**this Trust Indenture**", "**this Indenture**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this trust indenture, including the Schedules hereto, as the same may be amended, restated or modified from time to time, and includes every instrument supplemental or ancillary to or in implementation of this trust indenture and, except where the context otherwise requires, does not refer to any particular Article, Section or other portion hereof or thereof;
- (yy) "**Transfer Agent**" means such person as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Trust Units, together with any sub-transfer agent appointed by the Transfer Agent;
- (zz) "**Trust**" means the trust constituted by this Trust Indenture;
- (aaa) "**Trustee**" means Chris Guthrie, in his capacity as trustee of the Trust, or any successor trustee of the Trust in accordance with the provision of this Trust Indenture;
- (bbb) "**Trust Property**" at any time, means all of the money, properties, whether real or personal, and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustee on behalf of the Trust. For clarity, any reference to "**property**" or "**assets**" includes, where the context requires, in each case, the Trust Property;
- (ccc) "**Trust Unit**" means a trust unit of the Trust, of whichever Class, as described in Section 3.1;
- (ddd) "**Unit Certificate**" means a certificate, in the form approved by the Trustee or Manager, evidencing one or more Trust Units of a Class, issued and certified in accordance with the provisions hereof;

- (eee) **"Unitholder"** or **"holder of Units"** means, at any time, a holder at that time of one or more Trust Units, as shown on any of the Registers and such holders are collectively called **"Unitholders"**; and
- (fff) **"Valuation Date"** means the last Business Day of every quarter and such other Business Day(s) as the Manager may determine.

1.2 References to Acts Performed by the Trust

For greater certainty, where any reference is made in this Trust Indenture to:

- (a) an act to be performed by the Trust or to rights of the Trust, such reference shall be construed and applied for all purposes to refer to an act to be performed by the Trustee or the Manager on behalf of the Trust or by some other person duly authorized to do so by the Trustee or the Manager or pursuant to the provisions hereof;
- (b) actions, rights or obligations of the Trustee or the Manager; and
- (c) such reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustee, in its capacity as Trustee of the Trust, or the Manager, in its capacity as Manager of the Trust, as the case may be, and not in its other capacities, unless the context clearly requires otherwise.

1.3 Extended Meanings

In this Trust Indenture, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice-versa and words importing a gender shall include the feminine, masculine and neuter genders. Where the word "including" or "includes" is used in this Trust Indenture it means "including without limitation" or "includes without limitation", respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.4 Statutory References

A reference herein to any statute includes every regulation (and other similar ancillary instrument having the force of law) made pursuant thereto, all amendments to the statute or to any such regulation (or other similar ancillary instrument) in force from time to time, and any statute or regulation (or other similar ancillary instrument) which supplements or supersedes such statute or regulation (or other similar ancillary instrument); and a reference to any section or provision of a statute includes all amendments to such section or provision, as made from time to time, and all sections or provisions which supplement or supersede such section or provision referred to herein.

1.5 Headings for Reference Only

The division of this Trust Indenture into Articles, Sections and Schedules, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Trust Indenture. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Trust Indenture.

1.6 Day Not a Business Day

Except as otherwise set out herein, in the event that any day on which any amount is to be determined or any other determination is to be made or any action is required to be taken hereunder is not

a Business Day, then, subject to the discretion of the Trustee, such amount shall be determined, or such other determination shall be made, or such action shall be required to be taken, at or before the requisite time on the next succeeding day that is a Business Day.

1.7 Governing Law

This Trust Indenture and the Unit Certificates shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta.

1.8 Schedules

The Schedules attached hereto are incorporated by reference herein and form an integral part of this Trust Indenture.

1.9 Currency

Unless otherwise specified, all references herein to currency shall be references to currency of Canada.

ARTICLE 2 DECLARATION OF TRUST

2.1 Settlement of Trust

The Settlor has deposited, with the Trustee, the sum of \$10.00 for the purpose of creating and settling the Trust. Receipt of such \$10.00 bill has been acknowledged by the Trustee.

2.2 Declaration of Trust

The Trustee hereby agrees to act as Trustee on behalf of, and to hold, use and administer the Trust Property in trust for the benefit of the Unitholders and their permitted assigns and personal representatives in accordance with and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

2.3 Name of Trust

The Trust shall be known and designated as "**Gravitas Special Situations Fund**" and, whenever lawful and convenient, the Trust Property shall be held and the affairs of the Trust shall be conducted and transacted under that name. The Trust, with the consent of the Manager, may use such other designation or may adopt such other name as the Trustee deems appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.

2.4 Situs and Head Office

The situs of the Trust shall be the Province of Alberta and the head office of the Trust shall be located at Toronto, Ontario, or such other place or places in Canada as the Trustee may from time to time designate and will initially be located at 333 Bay Street Suite 1700, Toronto, Ontario M5H 2R2.

2.5 Fiscal Year

The fiscal year of the Trust shall end on the last day of December in each year and the first fiscal year of the Trust shall end on December 31, 2018.

2.6 Nature of the Trust

The Trust is an unincorporated trust, established for the purpose specified in Section 4.1. The Trust is not, is not intended to be, shall not be deemed to be and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company; further, neither the Trustee, nor the Manager, nor the Unitholders, nor any of them, shall be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. Neither the Trustee nor the Manager shall be, or be deemed to be, agent of the Unitholders. The relationship of the Unitholders to the Trustee shall be solely that of beneficiaries of the Trust, and their rights shall be limited to those expressly conferred upon them by this Trust Indenture.

2.7 Minimum Distribution Requirements

The Trustee shall use its best efforts to cause the Trust to comply with conditions in connection with the number of Unitholders, the dispersal of ownership of Trust Units and the distributions of the Trust Units to the public (the "**minimum distribution requirements**") as required in the Income Tax Act. In connection with the minimum distribution requirements, the Trustee shall use its best efforts to cause the Trust Units to be qualified for distribution to the public and to cause there to be on Closing and at all relevant times thereafter no fewer than 150 Unitholders, each of whom holds at least one block of Trust Units having an aggregate fair market value of not less than \$500 each. For these purposes, a block of Trust Units means 100 units if the fair market value is less than \$25 per unit, 10 units if the fair market value is \$100 or more per unit, and 25 units in any other case.

2.8 Mutual Fund Trust Election

It is intended that the Trust qualify as a "mutual fund trust" for purposes of the Income Tax Act. In furtherance of that intention, the Trustee shall use its reasonable commercial efforts to ensure that once achieved the Trust maintains its status as a mutual fund trust for purposes of the Income Tax Act, including without limitation by: restricting the holding of Trust Units by Non-residents, meeting the minimum distribution requirements, restricting the Trust from making investments or undertaking activities that are prohibited, and making the election contemplated below. In filing a return of income for the Trust's first taxation year, the Trust shall elect, provided that the Trust has become a "mutual fund trust" at any particular time before the 91st day after the end of the Trust's first taxation year, to be deemed to be a "mutual fund trust" for purposes of the Income Tax Act from the beginning of its first taxation year until the particular time.

2.8 Rights of Unitholders and Ownership of Trust Property

- (a) Except as otherwise expressly provided for herein, no Unitholder shall be entitled to interfere with, or give any direction to, the Trustee or the Manager with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustee or the Manager under this Trust Indenture.
- (b) The legal ownership of the Trust Property and the right to conduct the affairs of the Trust are vested exclusively in the Trustee, or such other persons as the Trustee may determine or as are permitted in accordance with the terms hereof, and the Unitholders shall have no interest therein other than the interest specifically set forth in this Trust Indenture and they shall have no right to compel or call for any redemption of Trust Units or any partition, division, dividend or distribution of the Trust Property, except as specifically provided herein.
- (c) Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights as specifically set forth in this Trust Indenture.

2.9 Unitholders Bound

This Trust Indenture shall be binding upon all persons who become Unitholders from time to time. By acceptance of a Unit Certificate representing any Trust Units or, during use of the Book-Entry System for any of the Trust Units, upon completion of a purchase of any such Trust Units, the Unitholder thereof shall be deemed to agree to be bound, and shall be so bound, by this Trust Indenture. Furthermore, where applicable, this Trust Indenture shall be binding upon all persons who from time to time hold Other Trust Securities, and acceptance of a certificate or confirmation of purchase of such Other Trust Securities in whatever manner shall result in such holder of Other Trust Securities being deemed to agree to be bound, and shall be so bound, by the applicable provisions of this Trust Indenture.

ARTICLE 3 CREATION, ISSUE AND SALE OF TRUST UNITS

3.1 Nature of Trust Units

- (a) All of the beneficial interest in the Trust shall be divided into multiple classes of Trust Units, but initially there shall be three classes referred to as Class A Trust Units, Class F Trust Units and Class O Trust Units. Unless otherwise determined by the Trustee or the Manager, each Trust Unit shall entitle the holder or holders thereof to one vote at a Meeting of the Unitholders. All Trust Units in a Class shall rank among themselves equally and rateably without discrimination, preference or priority. The Manager, on behalf of the Trustee may, in its discretion, determine the designation and attributes of a Class, which may include: the initial closing date and offering price for the first issuance of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders, and procedures in connection therewith (including a requirement to redeem Trust Units), the fees payable to the Trustee and/or the Manager, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among Classes and such additional Class specific attributes as the Manager, on behalf of the Trustee, may in its discretion specify. The Trustee may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust.
- (b) Class attributes of Trust Units may be amended from time to time in accordance with the provision of this Trust Indenture.
- (c) The Trust Units shall not be listed or traded on a stock exchange or a public market.
- (d) Trust Units and fractions thereof shall be issued only as fully paid and once issued, shall be non-assessable. There shall be no limit to the number of Trust Units that may be issued, subject to any determination to the contrary made by the Manager, on behalf of Trustee, in its sole discretion. No Trust Unit or fraction thereof of the same Class shall have any rights, preference or priorities over any other Trust Unit of the same Class and each Trust Unit will represent an equal undivided interest in the net assets of the Trust attributable to the Class of Trust Units.
- (e) The Manager, on behalf of the Trustee, may add additional Classes of Trust Units at any time, without the prior approval of Unitholders.

- (f) At any time and from time to time after causing a Unitholder to be provided with thirty (30) days' prior written notice, the Manager, on behalf of the Trustee, may re-designate outstanding Trust Units of a Class issued to the Unitholder as Trust Units of another Class having an aggregate equivalent Class Net Asset Value per Trust Unit.

3.2 Authorized Number of Securities

The aggregate number of Trust Units that are authorized and may be issued hereunder is unlimited. The aggregate number of Other Trust Securities which are authorized and may be issued hereunder is unlimited.

3.3 Issue of Trust Units

- (a) Trust Units may be issued at the times, to the Unitholders, for the consideration and on the terms and conditions that the Manager, on behalf of the Trustee, determines in its absolute discretion. Subscribers may purchase Trust Units by delivering to the Manager directly or through the subscriber's registered dealer a completed and executed Subscription Agreement in a form acceptable to the Manager, together with funds provided via an electronic order system such as FUNDSERV (if applicable) or by certified cheque, bank draft or, in the discretion of the Trustee or the Manager, a wire transfer for the aggregate amount which the subscriber wishes to invest in Trust Units. Funds may be provided by the subscriber directly from the subscriber's account at a registered dealer. All subscriptions will be irrevocable by the subscriber and subject to acceptance by the Trustee or Manager within two (2) Business Days of receipt; provided however, that the Trustee or Manager may accept or reject any Subscription Agreement. The Manager, in its discretion, may prescribe any acquisition charges, redemption fees, minimum initial subscription amounts, minimum subsequent subscription amounts and minimum aggregate net asset value balances to be maintained by Unitholders, and may, in its discretion, prescribe any procedures in connection therewith (including a procedure whereby a Unitholder is required to redeem his Trust Units) and the Manager may prescribe in its discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust.
- (b) Upon the establishment of the Trust and its division into Classes and Trust Units, the Trustee or Manager will determine the price of the original Trust Units of each Class. Thereafter, the subscription price per Trust Unit of Trust Units purchased pursuant to a subscription will be the applicable Class Net Asset Value per Trust Unit determined as at the applicable Valuation Date in the quarter in which the subscription for such Trust Units is accepted by the Manager, on behalf of the Trustee. Fractional Trust Units will be issued up to a maximum of two decimal places.
- (c) The Trustee or Manager upon receipt of a Subscription Agreement shall reserve the right to accept or reject Subscription Agreements within two (2) Business Days of receipt. The Trustee or Manager will, in the case of rejection, forthwith return the Subscription Agreement to the potential subscriber, together with the certified cheque, bank draft, or any wire transferred funds accompanying the Subscription Agreement, without interest or deduction thereon. In the case of rejection, the Trustee or Manager will, where applicable, forthwith advise any party appointed by the Trustee or Manager as having responsibility for sending a confirmation statement to subscribers in respect of accepted subscriptions. In the case of acceptance, the Trustee, Manager or any party appointed and directed by the Trustee or Manager will then forward a statement to the subscriber in accordance with Article 16.

3.4 Subdivision of Trust Units

The Manager, on behalf of the Trustee, may, at any time or times and on not less than 14 days' notice in writing, give to each Unitholder a notice that each Trust Unit shall be subdivided into additional Trust Units whereupon each Trust Unit shall stand subdivided accordingly. The Manager, on behalf of the Trustee, shall thereupon send or cause to be sent to each Unitholder a written confirmation indicating the number of additional Trust Units to which the Unitholder has become entitled by reason of the subdivision. The Manager, on behalf of the Trustee, shall also take such steps as may be necessary to notify the registrar and/or Transfer Agent of the basis of subdivision so that the appropriate notification can be made in the Register of Unitholders of the Trust.

3.5 Consolidation of Trust Units

The Manager, on behalf of the Trustee, may, at any time or times and on not less than 14 days' notice in writing, give to each Unitholder a notice that each Trust Unit shall be consolidated into a fraction of a Trust Unit whereupon each Trust Unit shall stand consolidated accordingly. The Manager, on behalf of the Trustee, shall thereupon send or cause to be sent to each Unitholder a written confirmation indicating the basis of consolidation and the number of Trust Units which the Unitholder then owns. The Manager, on behalf of the Trustee, shall also take such steps as may be necessary to notify the registrar and/or Transfer Agent of the basis of consolidation so that the appropriate notification can be made in the Register of Unitholders of the Trust.

3.6 Rights, Warrants and Options

The Manager, on behalf of the Trustee, may create and issue rights, warrants or options to subscribe for fully paid Trust Units and may issue Trust Units on an instalment receipt basis. Such rights, warrants or options may be exercisable, and such instalment receipts may be issued, at such subscription price or prices and at such time or times as the Manager may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Manager may determine. A right, warrant or option is not a Trust Unit and a holder thereof is not a Unitholder.

3.7 Trust Units Fully Paid and Non-Assessable

- (a) Subject to allowable discounts (if any) as referred to in Section 3.3, Trust Units are only to be issued when fully paid or as an in-kind distribution on Trust Units and are not subject to future calls or assessments.
- (b) The consideration for any Trust Unit issued by the Trust shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money.

3.8 No Conversion, Retraction, Redemption or Pre-Emptive Rights

No person shall be entitled, as a matter of right, to subscribe for or purchase any Trust Unit, and except as otherwise set forth herein, there are no conversion, retraction, redemption or pre-emptive rights attaching to the Trust Units.

3.9 Net Asset Value of the Trust and Class Net Asset Value per Trust Unit

- (a) The Manager shall calculate, or may appoint a party to calculate, the Net Asset Value of the Trust ("**Net Asset Value of the Trust**") and the Net Asset Value of each Class ("**Class Net Asset Value**") and the Class Net Asset Value of each Trust Unit ("**Class Net Asset Value per Trust Unit**").

- (b) The Net Asset Value of the Trust as of each Valuation Date shall be the then fair market value of the Trust Property at the time the calculation is made less the amount of its liabilities accrued at that time. The Class Net Asset Value as of each Valuation Date shall be the fair market value of the Trust Property attributable to the applicable Class at the time the calculation is made less the amount of the liabilities attributable to the Class at that time. The Class Net Asset Value per Trust Unit shall be the quotient obtained by dividing the amount equal to the Class Net Asset Value by the total number of outstanding Trust Units of a Class, as applicable, including fractions of Trust Units and adjusting the result to a maximum of two decimal places (rounded down). The Net Asset Value of the Trust, the Class Net Asset Value and the Class Net Asset Value per Trust Unit shall be computed by the Manager as herein provided as at each Valuation Date. The number of Trust Units in each Class, the fair market value of the assets and the amount of the liabilities of each of the Classes of the Trust shall be calculated in such manner as the Manager in its sole discretion shall determine from time to time, subject to the provisions of this Trust Indenture and the following:
- (i) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager considers otherwise;
 - (ii) the value of treasury bills and other money market instruments will be the bid price for such instruments at the Toronto closing time on the Valuation Date;
 - (iii) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager, such price does not properly reflect the price which would be received by the Trust upon disposal of the securities, the Manager may place such value upon such securities as appears to the Manager to most closely reflect the fair value of such securities;
 - (iv) the value of a futures contract, or a forward contract, or a swap shall be the gain or loss with respect thereto that would be realized if, at the Valuation Date, the position in the futures contract, or the forward contract or swap, as the case may be, were to be closed out;
 - (v) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;
 - (vi) the value of all other property of the Trust will be the value that the Manager determines in its reasonable discretion most accurately reflects its fair value; and
 - (vii) the value of any asset of the Trust measured in a foreign currency will be calculated by converting the value in the foreign currency using the rate of exchange current on the Valuation Date as determined by the Manager.

3.10 Non-Resident Ownership Constraints

- (a) It is in the best interest of the Unitholders that the Trust always qualify as a "mutual fund trust" under the Income Tax Act and this requires, among other things, that the Trust shall not be established or maintained primarily for the benefit of Non-residents. In addition, it is in the best interest of the Unitholders that the Trust not be considered an "investment company", if possible, required to register as an "investment company" or controlled by an "investment company" for the purposes of the United States Investment Company Act of 1940, as amended. Accordingly, for so long as it is required by the Income Tax Act for the Trust to maintain its status as a "mutual fund trust" at no time may Non-residents

be the beneficial owners of more than 49% of the outstanding Trust Units, on both a non-diluted and fully-diluted basis, and, if necessary, at no time may more than 100 persons resident in the United States (as determined by the Manager) be the beneficial owners of Trust Units. It shall be the responsibility of the Manager to monitor compliance by the Trust with these Non-resident restrictions (collectively, the "**Non-resident Restriction**") in accordance with the published policies of the relevant taxation authority and otherwise in relation to the United States Investment Company Act of 1940, as amended.

- (b) Notwithstanding anything herein contained, the Manager (or any delegate thereof) may (at the expense of the Trust), at any time and from time to time, take all such actions as it determines in its discretion is reasonable and practicable in the circumstances in order to ensure compliance by the Trust with the Non-resident Restriction, including (i) obtaining declarations from Unitholders as to whether such securities held thereby are held by or for the benefit of Non-residents, or declarations from Unitholders or others as to the jurisdictions in which beneficial owners of securities of the Trust are resident in Canada for Canadian income tax purposes, (ii) performing residency searches of Unitholder and beneficial holder mailing address lists to determine or estimate, to the extent practicable, the residence for Canadian income tax purposes of beneficial holders of Trust Units, and (iii) placing such other limits on ownership of securities by the Trust by Non-residents as the Manager may deem necessary in its sole discretion to maintain the Trust's status as a "mutual fund trust" and ensure that the Trust is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended.
- (c) If at any time the Manager, in its sole discretion, determines that it is in the best interest of the Trust, the Manager, may:
 - (i) require the Trust to refuse to accept a subscription for securities of the Trust from, or issue or register a transfer of securities of the Trust to, a person unless the person provides a declaration to the Manager and the Transfer Agent that the securities of the Trust to be issued or transferred to such person will not when issued or transferred be beneficially owned by a Non-resident;
 - (ii) send a notice to registered holders of securities of the Trust which are beneficially owned by Non-residents, chosen in inverse order to the order of acquisition or registration of such securities beneficially owned by Non-residents, or chosen in such other manner as the Manager may consider equitable and practicable, requiring such Non-resident holders to sell their securities of the Trust, or a specified portion thereof, within a specified period of not less than 60 days or such shorter period as may be required to preserve the status of the Trust as a "mutual fund trust" under the Income Tax Act or ensure the Trust is not an "investment company" required to be registered under United States Investment Company Act of 1940, as amended. If the holders of securities of the Trust receiving such notice have not, within such period, sold the specified number of such securities or provided the Manager and the Transfer Agent with evidence satisfactory to the Manager that such securities are not beneficially owned by Non-residents, the Manager may, on behalf of such registered Unitholder, sell such securities and, in the interim and to the extent applicable, suspend the voting and distribution rights attached to such securities of the Trust. Any such sale shall be made in such manner in which the Manager shall determine, and upon such sale, the affected securityholders shall cease to be holders of such securities so disposed of and their rights shall be limited to receiving the net proceeds of sale (net of applicable taxes and costs of sale) upon surrender of the certificates representing such securities; and

- (iii) take such other actions as the Manager determines, in its sole discretion, may be appropriate in the circumstances that will reduce or limit the number of securities of the Trust held by Non-residents to ensure that the Trust is not established or maintained primarily for the benefit of Non-residents and is not considered an "investment company" required to be registered under United States Investment Company Act of 1940, as amended.
- (d) None of the Trustee, the Manager or the Transfer Agent shall have any liability in connection with sales of securities of the Trust made pursuant to Section 3.10(c)(ii), including in respect of the amounts received upon such sales and the costs incurred in connection with such sales.
- (e) None of the Trustee, the Manager, the Transfer Agent or any of their respective directors, officers, employees or agents, or any holder of Trust Units, shall be liable for a determination that the Trust is an "investment company" or is an "investment company" required to be registered under United States Investment Company Act of 1940, as amended, or that the Trust is established or maintained primarily for the benefit of Non-residents as a result of an excess number of securities of the Trust being held by Non-residents during the term of the Trust.
- (f) It is acknowledged that at any time that Trust Units are registered in the name of depositories or other non-beneficial holders, the ability of the Manager to monitor compliance by the Trust with the Non-resident Restriction will be limited, and in this regard the Manager shall be entitled to rely on information respecting the residency of Unitholders provided to the Manager by the Transfer Agent and CDS Participants, as applicable, and the Manager may exercise its discretion in making any determination under this Section 3.10, and any reasonable and bona fide exercise of such discretion shall be binding for the purpose of this Section 3.10. For greater certainty, neither the Trustee or the Manager shall have any obligation to monitor compliance by the Trust with the Non-Resident Restriction.
- (g) The Manager shall not be deemed to have notice of any violation of this Section 3.10 unless and until it has been provided with written notice of such violation. The Manager shall only be required to act in respect of this Section 3.10 upon first being provided with an indemnity from the Trust in a form satisfactory to the Manager.
- (h) Notwithstanding any other provision of this Trust Indenture, unless determined otherwise by the Manager, Non-residents, whether registered holders or beneficial holders of securities of the Trust, shall not be entitled to vote in respect of any Special Resolution to amend this Section 3.10.

3.11 Declaration as to Beneficial Ownership

The Trustee or the Manager may require any Unitholder as shown on the Register of Unitholders to provide a declaration, in form prescribed by the Trustee or the Manager, as to the beneficial owner of Trust Units registered in such Unitholder's name and as to the jurisdiction in which such beneficial owner is resident for Canadian income tax purposes or for the purposes of the United States Investment Company Act of 1940, as amended, and the Unitholders shall comply with any such request.

3.12 Unit Certificates

Each Unitholder, with respect to each Class of Trust Units held thereby while not held within the Book-Entry System, shall be entitled to a Unit Certificate bearing an identifying serial number in respect

of the Trust Units of such Class(es) held by it, signed in the manner hereinafter prescribed. The Trust is not bound to issue more than one Unit Certificate in respect of any Trust Unit(s) held jointly or in common by two or more persons, and delivery of a Unit Certificate to one of them shall be sufficient delivery to all. Subject to the provisions hereof regarding the Trust's issue of one or more Global Unit Certificates, the Trust will execute and the Transfer Agent (if any) is to certify and deliver definitive Unit Certificates, register such certificates in the names of the beneficial Unitholders (or in such names as the beneficial Unitholders may instruct), deliver such certificates in accordance with the instructions of the beneficial Unitholders, and cause the names of such beneficial Unitholders (or such other persons as the beneficial Unitholders have instructed) to be entered on the Register. Neither the Trust, the Manager nor the Trustee is liable for any delay in delivery of such instructions. Upon the issuance of Unit Certificate(s), the Trustee, the Manager and the Transfer Agent will recognize the registered holders of the Unit Certificate(s) as holders of Units.

Subject to the provisions hereof, the Trust may issue one or more global Unit Certificates (each is a "**Global Unit Certificate**") in the name of and deposited by the Transfer Agent with, or on behalf of, CDS or a successor (collectively, the "**Depository**"), as custodian of such Global Unit Certificate and registered by the Transfer Agent in the name of the Depository or its nominee. No purchaser of Units represented by a Global Unit Certificate is entitled to a certificate or other instrument from the Trust or the Depository evidencing that purchaser's ownership thereof except in the circumstances where the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Unit Certificate are represented only through the Book-Entry System. Transfers of Units between CDS Participants occur only in accordance with the Depository's rules and procedures.

All references herein to actions by, notices given or payments made to Unitholders, where such Units are held through the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon instruction from the CDS Participants in accordance with the Depository's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Unitholders evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Unitholders acting through the Depository and the CDS Participants owning Units evidencing the requisite percentage of the Units. The rights of a Unitholder whose Units are held through the Depository may only be exercised through the Depository and the CDS Participants and are limited to those established by Applicable Law and agreements between such Unitholders and the Depository or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent, the Manager and the Trustee is entitled to deal with the Depository for all purposes (including the making of payments) as the authorized representative of the respective Unitholders and such dealing with the Depository constitutes satisfaction or performance, as applicable, towards their respective obligations hereunder. For so long as Units are held through the Depository, if any notice or other communication is required to be given to Unitholders, the Trustee, the Manager and the Transfer Agent shall give all such notices and communications to the Depository.

If the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor, the Depository shall surrender the Global Unit Certificate to the Transfer Agent with instructions from the Depository for registration of Units in the name and in the amounts specified by the Depository and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Units then outstanding in the form of definitive Unit Certificates representing such Units.

The Trust, the Trustee, the Manager and the Transfer Agent have no liability for: (i) records maintained by the Depository relating to the beneficial interests in the Units or the book entry accounts maintained by the Depository; (ii) maintaining, supervising or reviewing any records relating to such beneficial interests; or (iii) any advice or representation made or given by the Depository and made or given with respect to the rules and regulations of the Depository, or any action taken or not taken by the Depository or a CDS Participant.

If the Trustee or the Manager determines that the Depository is no longer willing or able to discharge properly its responsibilities as depository with respect to the Units and the Trust is unable to locate a qualified successor, the Trustee at its option elects, or is required by Applicable Law, to terminate the Book-Entry System for the Units, or Unitholders determine by Special Resolution that the continuation of the Book-Entry System is no longer in the best interests of Unitholders, then the Trustee or the Manager will so notify the Depository and request that the Depository notify all beneficial Unitholders of the occurrence of any such event and of the availability to beneficial Unitholders of definitive Unit Certificate(s). As soon as is reasonably practicable thereafter, upon the surrender by the Depository to the Trustee of the Global Unit Certificate(s), the Trust will execute and the Transfer Agent will certify and deliver definitive Unit Certificates, register such certificates in the names of the beneficial Unitholders (or in such names as the beneficial Unitholders may instruct) and deliver such certificates in accordance with the instructions of the beneficial Unitholders and cause the names of such beneficial Unitholders (or such other persons as the beneficial Unitholders have instructed) to be entered on the Register. Failing instructions from the beneficial Unitholders, Units are to be registered in the name of the CDS Participant holding such Units on behalf of the beneficial Unitholders. Neither the Trust, the Manager nor the Trustee is liable for any delay in delivery of such instructions. Upon the issuance of Unit Certificate(s), the Trustee, the Manager and the Transfer Agent shall recognize the registered holders of the Unit Certificate(s) as holders of Units.

3.13 Execution of Unit Certificates

Unit Certificates for Trust Units shall be signed on behalf of the Trust by the Trustee or the Manager and by the applicable Transfer Agent in respect of the particular Class of Trust Units in question. The signature of the Trustee or Manager required on Unit Certificates may be printed or otherwise mechanically reproduced thereon and Unit Certificates so signed are as valid as if they had been signed manually. If a Unit Certificate contains a printed or mechanically reproduced signature of a person, then the Trust may issue the Unit Certificate even though the person has ceased to be an authorized representative of the Trustee or Manager and such Unit Certificate is as valid as if the person continued to be an authorized representative of the Trustee or Manager at the date of its issue.

No Unit Certificates representing Trust Units shall be valid unless countersigned manually by or on behalf of the applicable Transfer Agent.

3.14 Certificate Fee

The Trustee or Manager may establish a reasonable fee to be charged for every Unit Certificate issued.

3.15 Form of Unit Certificate

Unit Certificates shall be in such form as is from time to time authorized by the Trustee or Manager. The definitive form(s) of the Unit Certificates for each Class of Trust Units may be in English only or, in the discretion of the Trustee or Manager, in the English and French languages. Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustee or Manager may determine and may have such letter, numbers or other marks of identification and such legends or endorsements placed thereon as may be required hereunder or as may be necessary to comply with Applicable Law and the rules of any securities regulatory authority or exchange, or as may be determined by the Trustee or Manager. In connection with any removal, or request for removal, of any legend or endorsement on the Unit Certificates the Trustee or Manager shall be entitled to require, among other things, such declarations as to residency and such opinions, from appropriate persons (including Unitholders), as it considers prudent or necessary.

3.16 Fractional Trust Units

If as a result of any act of the Trustee hereunder any person becomes entitled to a fraction of a Trust Unit, such person shall not be entitled to receive a Unit Certificate therefor. Fractional Trust Units of a Class which entitle the holders thereof to vote at a Meeting of Unitholders shall not, except to the extent that they may represent in the aggregate one or more whole Trust Units held by the same holder, entitle the holders thereof to notice of, or to attend or to vote at, a Meeting of Unitholders. Subject to the foregoing, fractional Trust Units of a particular Class shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Trust Units of such Class in the proportion that they bear to a whole Trust Unit.

3.17 Trust Unit Register

A register (the "**Register**" and where more than one, the "**Registers**") shall be kept by, or on behalf and under the direction of, the Trustee in respect of each Class of Trust Units, and each Register shall contain the names and addresses of Unitholders, the respective numbers of Trust Units held by such Unitholders, the certificate numbers of the Unit Certificates held by them, and a record of all transfers thereof.

A Transfer Agent shall be appointed to act as transfer agent and registrar for each class of Trust Units and to provide for the transfer of Trust Units in Alberta and at such other places in Canada as the Trustee or the Manager may request and the Transfer Agent has offices. The Trustee shall designate which branch registers will be maintained, if any. The Trustee or the Manager may, in its discretion, remove and replace the Transfer Agent for the Trust Units.

The Transfer Agent so appointed shall keep all necessary registers and other books (which may be kept in a bound or loose-leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device) for recording original issues and registering and transferring those Trust Units in respect of which it acts as registrar and transfer agent. Except as may otherwise be provided in this Trust Indenture, only persons whose Trust Units are recorded on the Registers shall be entitled to vote or to receive distributions, as the case may be, or otherwise exercise or enjoy the rights of Unitholders.

3.18 Entry on Register

Upon any issue of Trust Units, the name of the subscriber or other person entitled to such Trust Units shall be promptly entered on the Register as the owner of the number of Trust Units issued to such subscriber or other person, or if the subscriber is already a Unitholder, the Register shall be amended to include such subscriber's additional Trust Units.

3.19 Transfer of Trust Units

- (a) Subject to the provisions of this Article 3, no transfer of Trust Units shall be effective as against the Trustee or shall be in any way binding upon the Trustee, until the following has occurred:
 - (i) the details concerning the transfer, including name, address and country of residence of the transferee, as well as the price per Trust Unit at which the sale and transfer has occurred, have been reported to the Trust; unless the Trustee determines that such information need not be provided;
 - (ii) the Trustee has received a form of transfer acceptable to the Trustee which shall include such representations and/or opinions or other assurance regarding compliance with Applicable Law; and

- (iii) the transfer has been recorded on the applicable Register or one of the branch transfer registers maintained by the Transfer Agent.
- (b) In the case of Unit Certificates bearing a legend restricting the transfer of the Trust Units under applicable United States federal and state securities laws, the Trustee, the Manager or the Transfer Agent shall not register such transfer unless the transferor has provided the certificate representing the Trust Units and the transfer is being made (i) to the Trust, (ii) outside the United States in compliance with the requirements of Rule 904 of Regulation S promulgated under the United States Securities Act of 1933, as amended, and in compliance with applicable local laws and regulations, (iii) in compliance with the exemption from registration under the United States Securities Act of 1933, as amended, provided by Rule 144 or Rule 144A thereunder, if available, and in accordance with applicable state securities laws, or (iv) in another transaction that does not require registration under the United States Securities Act of 1933, as amended, or any applicable state securities laws, and the holder has prior to such sale furnished to the Trust an opinion of counsel of recognized standing in form and substance satisfactory to the Trust to such effect.
- (c) No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit unless such Trust Unit already exists as a fraction.
- (d) Subject to the provisions of this Article 3, Trust Units shall be transferable on the applicable Register or one of the branch transfer registers of Unitholders of the Trust only by the Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents hereunto duly authorized in writing, and only upon delivery to the Transfer Agent, of the Unit Certificate therefore (if certificates representing such Class of Trust Units have been issued) properly endorsed or accompanied by a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by Applicable Law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Transfer Agent. Subject to the foregoing, such transfers shall be recorded on the applicable Registers and a new Unit Certificate for the Trust Units so transferred shall be issued to the transferee and, in case of a transfer of only part of the Trust Units represented by any Unit Certificate, a new Unit Certificate for the remaining Trust Units shall be issued to the transferor.

3.20 Successors in Interest to Unitholders

Subject to Section 3.10, upon a person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or incapacity of any Unitholder or otherwise by operation of law, and upon production by such person of such documentation as the Trustee, the Manager or the Transfer Agent may reasonably require in order to evidence such entitlement of such person, such person shall be recorded in the Registers as the holder of such Trust Units and shall receive (subject to the Book-Entry System not being applicable to such Trust Units) a new Unit Certificate therefor upon production of evidence of such entitlement satisfactory to the Trustee, the Manager and the Transfer Agent and delivery of the existing Unit Certificate to the Transfer Agent, but until such record is made, the Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trust, the Trustee, the Manager or the Transfer Agent shall have actual or other notice of such death, bankruptcy, incapacity or other event.

3.21 Trust Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more persons holding any Trust Unit as joint owners of the entire interest therein unless the ownership is expressly otherwise recorded on the Registers, but no entry shall be made in the Registers or on any Unit Certificate that any person is in any other manner entitled to any future, limited or contingent interest in any Trust Unit; provided, however, that any person recorded in the Registers as a Unitholder may, subject to the provisions herein contained, be described in the Registers or on any Unit Certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship; provided further that none of the Trust, the Trustee, the Manager or the Transfer Agent shall be required to recognize a person as having any interest in the Trust Unit, other than the person recorded in the Registers as the holder of such Trust Unit.

3.22 Performance of Trust

None of the Trustee, the Manager, the Unitholders, the Transfer Agent or other agent of the Trust shall have a duty to inquire into any claim that a transfer of a Trust Unit was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Trust Unit or any other adverse claim, or be bound to see to the performance of any trust, express or implied or of any charge, pledge or equity to which any of the Trust Units or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Trust Units or interest therein by any Unitholder or their personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder of such Trust Unit.

3.23 Lost Unit Certificates

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the Trustee or the Manager may authorize the issuance of a new Unit Certificate for the same number and class of Trust Units in lieu thereof and the Trustee or the Manager may, in its discretion, before the issuance of such new Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustee or the Manager deems necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustee or the Manager directs indemnifying the Trustee, the Manager and the Transfer Agent for so doing. The Trustee and the Manager shall have the power to acquire from an insurer or insurers a blanket lost certificate security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit Certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the Trust Property with such contribution, if any, by those insured as may be determined by the Trustee or the Manager. If such blanket lost certificate security bond is acquired, the Trustee or the Manager may authorize and direct (upon such terms and conditions as it may from time to time impose) the Trustee, the Manager or others to whom the indemnity of such bond extends, to take such action to replace such lost, stolen, destroyed or mutilated Unit Certificates without further action or approval by the Trustee or the Manager.

3.24 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or any of the mutual or respective rights and obligations created by or arising under this Trust Indenture nor give such Unitholder's personal representative, or the heirs of the estate of the deceased Unitholder, a right to an accounting or to take any action in court or otherwise against other Unitholders or the Trustee or the Trust Property, but shall only entitle the personal representatives or heirs of the deceased Unitholder, in accordance and upon compliance with the provisions of Section 3.20, to succeed to all rights of the deceased Unitholder under this Trust Indenture.

3.25 Unclaimed Payments

In the event that the Trustee shall hold any amount of return of capital or other distributable amount which is unclaimed or which cannot be paid for any reason, neither the Trustee nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and they shall only be obliged to hold the same in a current non-interest-bearing account pending payment to the person or persons entitled thereto. The Trustee shall, as and when required by Applicable Law, and may at any time prior to such required time, pay all or part of such return of capital or other distributable amount so held, net of any amount required to be withheld by the Income Tax Act, to the public trustee or a court in the province where the Trust has its head office (or other appropriate government official or agency) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustee with respect thereto.

3.26 Exchanges of Trust Certificates

Unit Certificates representing any number of Trust Units may be exchanged for Unit Certificates representing an equivalent number of Trust Units of the same Class, in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trustee or at the offices of the Transfer Agent where the Registers are maintained for the Unit Certificates pursuant to the provisions of this Article 3. Any Unit Certificates tendered for exchange shall be surrendered to the Trustee or the Transfer Agent and shall be cancelled. The Unitholder shall be responsible for all transfer and exchange fees associated with any such exchange.

3.27 Repurchase of Securities

The Trust shall be entitled to offer, and upon acceptance of such offer, to purchase for cancellation, at any time, by private agreement or otherwise, the whole or from time to time any part of the outstanding Trust Units, or Other Trust Securities, in respect of which the offer was accepted, at a price per security and on a basis as determined by the Manager in its discretion but in compliance with all Applicable Law, rules, regulations or policies governing same. In particular, the Trust has the right to undertake and complete all purchases as may be necessitated as a result of subscribers exercising, in connection with any Offering, their statutory or contractual (as the case may be) rights of withdrawal or rescission. Trust Units purchased by the Trust will be cancelled.

3.28 Take-Over Bids

- (a) If there is a take-over bid for all of the outstanding Trust Units and, within 120 days after the date of such take-over bid, the bid is accepted by holders holding not less than 90% of the Trust Units (collectively such Trust Units subject to the bid are herein referred to as the "**Bid Trust Units**"), other than Bid Trust Units held by or on behalf of, or issuable to, the offeror or an affiliate or associate of the offeror on the date of the take-over-bid, the offeror is entitled, on complying with this Section 3.28, to acquire the Bid Trust Units held by the non-tendering offerees.
- (b) An offeror may acquire Bid Trust Units held by a non-tendering offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror's notice to each non-tendering offeree stating that:
 - (i) offerees holding not less than 90% of the Bid Trust Units accepted the take-over bid;
 - (ii) the offeror has taken up and paid for the Bid Trust Units of the offerees who accepted the take-over bid;

- (iii) a non-tendering offeree is required to transfer his Bid Trust Units to the offeror on the terms on which the offeror acquired the Bid Trust Units of the offerees who accepted the take-over bid; and
 - (iv) a non-tendering offeree who is a Unitholder and who does not transfer his Bid Trust Units within 20 days after it receives the offeror's notice hereunder is deemed to have elected to transfer, and to have transferred, his Bid Trust Units on the same terms that the offeror acquired Bid Trust Units from the offerees who accepted the take-over bid.
- (c) Concurrent with sending the offeror's notice under Section 3.28(b), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the non-tendering offeree with respect to each Bid Trust Unit held by a non-tendering offeree.
- (d) A non-tendering offeree to whom an offeror's notice is sent under Section 3.28(b) shall, within 20 days after it receives that notice, send its Bid Trust Units, or cause same to be sent, to the Trust.
- (e) Within 20 days after the offeror sends an offeror's notice under Section 3.28(b), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would have had to pay or transfer to a non-tendering offeree if the non-tendering offeree had tendered under the take-over bid.
- (f) The Trust is deemed to hold on behalf of the non-tendering offeree the money or other consideration it receives under Section 3.28(e), and the Trust shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation (or any successor thereof), and shall place the other consideration in the custody of a bank or such other body corporate. No such monies or other consideration shall form any part of the Trust Property.
- (g) If the money or other consideration is deposited with the Trust as required by Section 3.28(e) above, then:
- (i) with respect to each of those non-tendering offerees who have complied with Section 3.28(d), Bid Trust Units held by a non-tendering offeree shall be deemed to be cancelled and the Trust shall, without delay upon being satisfied that the Bid Trust Units have been received by or transferred to the Trust in accordance with Section 3.28(d), send to such non-tendering offeree the portion of the money or other consideration deposited with the Trust as required by Section 3.28(e) above and to which such non-tendering offeree is entitled; and
 - (ii) with respect to each of those non-tendering offerees who have not complied with Section 3.28(d), send to each such non-tendering offeree a notice stating that:
 - (A) his or her Bid Trust Units have been transferred to the offeror;
 - (B) the Trustee or some other person designated in such notice are holding in trust the consideration for such Bid Trust Units; and
 - (C) the Trustee, or such other person, will send the consideration to such non-tendering offeree as soon as practicable after receiving such non-tendering offeree's Bid Trust Units which are convertible, exercisable or exchangeable for Bid Trust Units, together with such other documents as the Trustee or such other person may require;

and the Trustee is hereby appointed the agent and attorney of the non-tendering offerees for the purposes of giving effect to the foregoing provisions.

3.29 Power of Attorney

Each Unitholder hereby grants to the Trustee and the Manager, and their respective successors and assigns, a power of attorney constituting the Trustee and the Manager, as the case may be, with full power of substitution, as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required:

- (a) this Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustee or Manager deems appropriate;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in this Trust Indenture, including all conveyances, transfers and other documents required to facilitate any sale of Trust Units or in connection with any disposition of Trust Units required under Section 3.10 or 6.11;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of this Trust Indenture;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Income 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 Trust or of a Unitholder's interest in the Trust; and
- (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to this Trust Indenture which is authorized from time to time as contemplated by Article 9; and
- (f) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units of non-tendering offerees pursuant Section 3.28.

The power of attorney granted herein is, to the extent permitted by Applicable Law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Without limiting any other manner in which this power of attorney may be exercised by the Trustee on behalf of one or more Unitholders, the Trustee or the Manager may, in executing any instrument on behalf of all Unitholders collectively, execute such instrument with a single signature and indicating such execution is as attorney and agent for all of such Unitholders. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee or the Manager pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee or the Manager in good faith under this power of attorney.

ARTICLE 4
UNDERTAKING OF THE TRUST

4.1 Undertaking of the Trust

The activities and undertaking of the Trust is restricted to:

- (a) acquiring, holding, transferring, disposing of and investing in securities (whether debt or equity) and other interests issued by any person;
- (b) temporarily holding cash and other investments in connection with and for the purposes of the Trust's activities, including paying liabilities of the Trust (including administration and trust expenses), paying any amounts required in connection with the redemption of Trust Units, and making distributions to Unitholders;
- (c) disposing of any part of the Trust Property or mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust Property;
- (d) issuing Trust Units, instalment receipts, and Other Trust Securities (including securities convertible into or exchangeable for Trust Units or other securities of the Trust, or warrants, options or other rights to acquire Trust Units or other securities of the Trust), for the purposes of: (i) conducting, or facilitating the conduct of, the activities and undertaking of the Trust (including for the purpose of raising Trusts for further acquisitions); (ii) repayment of any indebtedness or borrowings of the Trust or any Affiliate thereof; (iii) establishing and implementing Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, and incentive option and other compensation plans of the Trust, if any; (iv) satisfying obligations to deliver securities of the Trust, including Trust Units, pursuant to the terms of securities convertible into or exchangeable for such securities of the Trust, whether or not such convertible or exchangeable securities have been issued by the Trust; (v) carrying out any of the transactions contemplated by any Offering Documents and satisfying all obligations in connection with such transactions; and (vi) making non-cash distributions to Unitholders, including in specie redemptions as well as distributions pursuant to distribution reinvestment plans, if any, established by the Trust;
- (e) repurchasing or redeeming Trust Units or Other Trust Securities, subject to the provisions of this Trust Indenture and Applicable Law;
- (f) the guaranteeing of any obligations or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of, any of the purposes set forth in this Section 4.1, and pledging securities and other Trust Property as security for any obligations of the Trust, including obligations under any such guarantees;
- (g) carrying out any of the transactions, and entering into and exercising and performing any of the rights and obligations of the Trust under any agreements, entered into in connection with pursuing the business and purposes of the Trust;
- (h) borrowing and issuing debt securities, at any time and from time to time, for any of the purposes set forth in this Section 4.1;
- (i) entering into and performing its obligations under agreement as are contemplated under the Offering Memorandum or transactions that are part of Closing or are ancillary to the foregoing;

- (j) undertaking such other activities or taking such other actions as are approved by the Trustee from time to time, or as are contemplated in this Trust Indenture, pursuant to the transactions that are part of Closing, or contemplated in the Offering Memorandum; and
- (k) engaging in all activities ancillary or incidental to any of those activities set forth in this Section 4.1.

4.2 Use of Funds

Money or other property received by the Trust or the Trustee on behalf of the Trust, including the net proceeds of any Offering, may be used at any time and from time to time for any purpose as directed by the Manager or otherwise not inconsistent with this Trust Indenture and the purposes of the Trust set out in Section 4.1 (including making distributions and redemptions under Article 5 and Article 6, respectively).

4.3 Investment Restrictions

The Trustee shall exercise commercially reasonable efforts to: (a) ensure that the Trust complies at all times with the requirements of paragraph 108(2) and subsection 132(6) of the Income Tax Act, (b) ensure that the Trust does not take any action, or acquire or retain any investment, that would result in the Trust not being considered either a "unit trust" or a "mutual fund trust" for purposes of the Income Tax Act.

ARTICLE 5 DISTRIBUTIONS

5.1 Distributions

- (a) The Trustee shall, on a Distribution Record Date, declare payable to the holders of Trust Units, an amount equal to the Net Income of the Trust for the Distribution Period. In addition, the Trustee shall declare payable to the holders of Trust Units on a Distribution Record Date, an amount equal to the Net Realized Capital Gains of the Trust for the Distribution Period. Notwithstanding the above and subject to Applicable Law, unless otherwise determined by the Manager, all distributions made by the Trust (net of any deductions or withholdings required by Applicable Law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date. Distributions that have been declared to be payable to such holders of Trust Units in respect of a Distribution Period shall be paid on the Distribution Payment Date in respect of such Distribution Period *pro rata* in accordance with the number of that Class of Trust Units then held (before giving effect to any issuances of Trust Units on such date).
- (b) On the last day of each fiscal year, an amount equal to the Net Income of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, *pro rata* in accordance with the number of that Class of Trust Units then held (before giving effect to any issuances of Trust Units on such date). In addition, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, *pro rata* in accordance with the number of that Class of Trust Units then held (before giving effect to any issuances of Trust Units on such date), except to the extent of Net Realized Capital Gains in respect of

which the tax payable by the Trust would be refunded as a "capital gains refund" as defined in the Income Tax Act (and in applicable provincial tax legislation) for the taxation year of the Trust ending in such fiscal year. Notwithstanding the above and subject to Applicable Law, unless otherwise determined by the Manager, all distributions made by the Trust (net of any deductions or withholdings required by Applicable Law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.

- (c) For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Trust be paid or payable to Unitholders in each fiscal year so that the Trust is not liable to pay tax under Part I of the Income Tax Act for the taxation year of the Trust ending in such fiscal year. Notwithstanding the above and subject to Applicable Law, unless otherwise determined by the Manager, all distributions made by the Trust (net of any deductions or withholdings required by Applicable Law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date.

5.2 Satisfaction of Distributions by Issuance of Trust Units

Subject to Applicable Law, unless otherwise determined by the Manager, all distributions made by the Trust (net of any deductions or withholdings required by Applicable Law) will be satisfied by the issuance of additional Trust Units of the same Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date. Those additional Trust Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by Governing Authorities or a prospectus or similar filing, none of which are currently contemplated.

Unless the Trustee determines otherwise, and subject to all necessary regulatory approvals, immediately after any pro rata non-cash distribution of additional Trust Units to all Unitholders, the number of the outstanding Trust Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held immediately before the non-cash distribution, except where tax was required to be withheld in respect of the Unitholder's share of the distribution. In this case, each Unit Certificate, if any, representing a number of Trust Units prior to the non-cash distribution is deemed to represent the same number of Trust Units after the non-cash distribution and the consolidation. Where amounts so distributed represent income, Non-resident Unitholders will be subject to withholding tax and the consolidation will not result in such Non-resident Unitholders holding the same number of Trust Units. Such Non-resident Unitholders will be required to surrender the Unit Certificates, if any, representing their original Trust Units in exchange for a Unit Certificate representing their post-consolidation Trust Units.

5.3 Other Distributions

In addition to the distributions made to Unitholders pursuant to Section 5.1, the Trustee, the Manager, or any party appointed by the Trustee, may declare and make distributions from time to time out of the Net Income, Net Realized Capital Gains or capital of the Trust for any taxation year or otherwise in such amounts per Trust Unit, payable at such time or times in the calendar year in which such taxation year ends and to Unitholders at the close of business on such date(s), as the Trustee, the Manager or any party appointed by the Trustee, from time to time may determine.

5.4 Tax Designations

The Net Income of the Trust and Net Realized Capital Gains of the Trust for a taxation year ending in a fiscal year payable to Unitholders in the fiscal year shall be allocated to Unitholders in the same proportion as the total distributions made to Unitholders in the fiscal year under Sections 5.1, 5.2 and 5.3, subject to adjustment in the case of Unitholders who did not hold their Trust Units for the entire fiscal year based upon the portion of the fiscal year during which such Trust Units were owned by such Unitholders. In accordance with and to the extent permitted by the Income Tax Act, the Trustee or the Manager, as the case may be, in each year shall make designations in respect of amounts paid or payable to Unitholders as the Trustee or the Manager, as the case may be, deems to be reasonable in the circumstances, including designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income received by the Trust in the year as well as elections under subsections 104(13.1) and/or (13.2) of the Income Tax Act that income be taxed to the Trust, rather than to such Unitholders. The Trustee may make certain adjustments to allocations to effect an equitable allocation of all amounts among the Unitholders. For greater certainty, the Trustee shall be entitled to make allocations of Net Income and Net Realized Capital Gains of the Trust for tax purposes in respect of a fiscal year to any person who has been a Unitholder at any time in the fiscal year. With respect to any distribution by the Trust in or in respect of a taxation year, the Trust shall mail to each Unitholder annually no later than March 31 of the following year information necessary for each Unitholder to complete an income tax return.

5.5 Payment of Distributions

Subject to Sections 5.1, 5.2 and 5.8, all distributions payable to a Unitholder, less any amount required to be withheld therefrom under Applicable Law, shall be satisfied by the issuance of Trust Units (unless the Trustee and Manager otherwise determine to pay such distributions in cash, in which case, the distributions shall be paid in Canadian funds) by the mailing or delivery thereof to the Unitholder at his last address as shown in the record of Unitholders or in such other manner as the Trustee determines. Any payment or delivery so made shall, unless a cheque is not honoured on presentation, discharge Trust and the Trustee from all liability to the Unitholder in respect of the obligations thereof plus any amount required by Applicable Law to be withheld.

5.6 Enforcement of Payment

Notwithstanding any other provision of this Article 5, a Unitholder shall be entitled to enforce payment of the amount of any distribution declared or otherwise made payable hereunder to and not yet received by the Unitholder not later than the end of the fiscal year in which such amount became payable.

5.7 Encroachment on Capital

For greater certainty, the Trustee may encroach on and pay from the capital of the Trust an amount payable under this Article 5 if the Net Income of the Trust, calculated without regard to the provisions of the Income Tax Act, is insufficient to permit payment of the amount so payable.

5.8 Manner of Payment

Subject to the discretion of the Manager, other than those distributions made pursuant to Section 5.1, and further, as provided in Section 5.2, all amounts payable at any particular time to a Unitholder pursuant to, or as contemplated by, this Article 5 (less any tax deductions or withholdings required by Applicable Law to be deducted therefrom) shall, except to the extent that the Unitholder, or his authorized agent, is redeeming Trust Units, and in that event only in respect of a number of Trust Units equal to the number of Trust Units being redeemed, be satisfied by the issuance of additional Trust Units of the same

Class of the Issuer or fractions of Trust Units of the same Class of the Issuer at the Net Asset Value per Trust Unit of that Class as at the Distribution Record Date next determined after declaration of the distribution. The Trustee, the Manager, or any party appointed by the Trustee, shall credit each Unitholder with the additional Trust Units of the same Class so acquired in lieu of making a cash distribution. The acquisition of Trust Units shall not be subject to Section 3.3. All distributions shall be credited to Unitholders *pro rata* in accordance with the number of that Class of Trust Units held by them on the distribution date. The amounts so credited to each Unitholder (including any tax deductions or withholdings required by Applicable Law to be deducted therefrom) shall not be included in the assets of the Trust for the purpose of determining the Class Net Asset Value per Trust Unit at any time after the declaration of the distribution. Notwithstanding the foregoing, the Trustee, the Manager, or any party appointed by the Trustee, may apply any amounts payable hereunder to a Unitholder towards the amount of any fees or charges owing by the Unitholder (including, without limitation, any redemption fees or deferred sales charges) and deduct such amounts from the amount otherwise to be credited to each Unitholder. Distributions may be paid in any currency at the discretion of the Trustee, or any party appointed by the Trustee or the Manager, from time to time.

5.9 Entitlement Default

Where the Trustee, the Manager, or any party appointed by the Trustee, has been unable, because of default on the part of any party to make payment of any distributions or dividends declared or interest accrued or any other amounts owing in respect of the securities of the Trust, to collect any amount which has been included in determining any amount paid or payable to any Unitholder, the Trustee, the Manager, or any party appointed by the Trustee, shall have the right, where such amount has been paid to such Unitholder, to recover such amount from such Unitholder. Notwithstanding the foregoing, the Trustee, the Manager, or any party appointed by the Trustee, shall not be required to exercise such right with respect to any particular amount or class of amounts where, in the judgment of the Trustee, the Manager, or any party appointed by the Trustee, the anticipated costs and likelihood of recovery outweigh the anticipated benefit of such recovery.

5.10 Withholdings by the Trustee

The Trustee shall deduct or withhold from all payments and distributions payable to any Unitholder all amounts required by Applicable Law (or proposed law) to be withheld from such payment or such distribution, in the event of a distribution in the form of additional Trust Units of that Class, the holder of the Trust Units upon which such distribution is made shall pay to the Trustee, prior to the distribution, cash equal to the amount the Trustee is required to remit to the applicable authority. If such cash payment is not made, the Trustee may redeem Trust Units at the Class Net Asset Value as applicable to the Class of Trust Units being redeemed as determined on the most recent Valuation Date or sell Trust Units on behalf of those Unitholders to pay those withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Trustee shall have the power of attorney of the Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of those Trust Units. The Trustee shall have no liability whatsoever to any Unitholders and no resort shall be had to the Trust Property or the Trustee for satisfaction of any obligation or claim against the Trustee or the Trust in connection with the Trust's redemption or sale of Trust Units to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

ARTICLE 6 REDEMPTION

6.1 Right of Redemption by Holders of Trust Units

Following the expiration of the Lock-up Period, and subject to the discretion of the Trustee or the Manager and the provisions of this Article 6, all or any part of the Trust Units registered in the name of

the Unitholder may be surrendered for redemption at any time at the demand of the Unitholder but will be redeemed only on a Redemption Date (defined below). On the last Business Day in any fiscal year after the date the Trust Unit was issued (or if such date is not a Business Day, then on the next Business Day thereafter) (the "**Redemption Date**"), Trust Units that have been surrendered by a Unitholder upon giving written notice to the Trustee prior to such Redemption Date will be redeemed at the prices determined and payable in accordance with the conditions set forth in this Article 6.

6.2 Exercise of Redemption Right

To exercise a Unitholder's right to require redemption hereunder, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustee or the Manager, must be delivered to the Trust at least 90 days prior to the Redemption Date of the applicable fiscal year in which the Trust Units are to be redeemed. If such Notice is not received at least 90 days prior to the Redemption Date of the applicable fiscal year in which the Trust Units are to be redeemed, such Notice shall be effective on the next following Redemption Date. On the next Redemption Date following the receipt by the Trust of the notice to redeem Trust Units, the Unitholder shall cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefore). Trust Units shall be considered to be tendered for redemption on the next Redemption Date following the date that the Trust has, to the satisfaction of the Trustee or the Manager, received the notice and other required documents or evidence.

Notwithstanding the above or any other provisions of the Trust Indenture, a Unitholder shall not be entitled to exercise its right to redeem Trust Units during the Lock-up Period.

6.3 Cash Redemption

Subject to Section 6.5, on each Redemption Date, the Trustee or the Manager shall pay to each holder of Class A Trust Units, Class F Trust Units and/or Class O Trust Units who has requested redemption out of the Trust Property an amount equal to the Net Asset Value per Trust Unit of that Class on the Redemption Date on which the redemption occurs, determined in accordance with Article 3, multiplied by the number of Trust Units of that Class to be redeemed, together with the proportionate share attributable to such Trust Units of that Class of any distribution of Net Income and Net Realized Capital Gains of the Issuer which has been declared and not paid prior to the Redemption Date and less any redemption or other fees and taxes payable by the Unitholder or required to be deducted.

The aggregate amount to be received by a Unitholder in accordance with the paragraphs immediately above, as applicable, is referred to as the "**Cash Redemption Price**".

6.4 Manner of Payment

- (a) Subject to Section 6.5, the Cash Redemption Price shall be paid within 60 days of the Redemption Date and shall be made by cheque payable to or to the order of the Unitholder or by such other manner of payment, including electronic fund transfer or wire transfer, approved by the Trustee or the Manager from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Unitholder or to his agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder at his address as it appears on the Register unless the cheque is not paid on presentation. Payments may be made to the Unitholder's account at a registered dealer, unless the Unitholder directs otherwise in writing. The Trustee or the Manager, as the case may be, may issue a replacement cheque if it is satisfied that the original cheque has not been received or has been lost or destroyed, upon being furnished with such evidence of loss, indemnity or other document in connection therewith that the Trustee or the Manager, as the case may be, in its discretion may consider necessary.

- (b) Any payment, unless not honoured, shall discharge the Trust, the Trustee and their delegates from all liability to such Unitholder in respect of the amount thereof and in respect of the Trust Units redeemed.

6.5 No Cash Redemption in Certain Circumstances

Section 6.3 and Section 6.4(a) shall not be applicable to Trust Units tendered for redemption by a Unitholder, if the redemption of Trust Units will result in the Trust losing its status as a "mutual fund trust" for the purposes of the Income Tax Act.

6.6 Redemption Restrictions

Except as otherwise determined by the Manager, in its sole discretion, the maximum aggregate number of Trust Units that may be redeemed by the Trust on any applicable Redemption Date shall not exceed 25% of the total number of Trust Units issued and outstanding on such Redemption Date. To the extent that the Trust has received Notices where the aggregate number of Trust Units would exceed this threshold, the Trust shall redeem only such number of Trust Units as to require the redemption of an aggregate equal to the number of Trust Units in respect of redemptions of 25% of the total number of Trust Units issued and outstanding on such Redemption Date. The Trust shall administer the foregoing and any cutbacks on a proportionate basis with respect to the aggregate number of Trust Units represented by Notices. Any Notices (or portions thereof) which are not honoured shall be honoured at the next following Redemption Date, subject in all cases to the 25% threshold described above and to the Trust's right to suspend redemptions as described below, at the next following Redemption Date provided however, the Trust will redeem such Trust Units on a pro rata basis based on the number of Trust Units tendered for redemption which have not been redeemed, on the next Redemption Date before it redeems any other Trust Units it has been requested to redeem and, for such purposes, the requests to redeem such Trust Units will be deemed to have been received by the Trust on the next Redemption Date in the order in which they were originally received.

6.7 Suspension of Redemptions

Notwithstanding Section 6.1, the Trustee or the Manager, in its sole discretion, may suspend the redemption of Trust Units or a Class of Trust Units, or payments in respect thereof, all as provided for under this Article 6, if the Trustee or the Manager, reasonably determines that:

- (a) for the whole or any part of a period during which normal trading is substantially restricted or suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, if those securities represent more than 50% by value of the total assets of the Trust, without allowance for liabilities;
- (b) the assets of the Trust are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets to pay the applicable redemption amounts;
- (c) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Trust or Unitholders generally;
- (d) not suspending redemptions of Trust Units would have an adverse effect on continuing Unitholders;
- (e) conditions exist which impair the ability of the Trustee to determine the value of the assets of the Trust;

- (f) such redemptions would cause the Trust to not meet the minimum distribution requirements as set forth in Section 2.7 of this Trust Indenture;
- (g) such redemptions would otherwise cause the Trust to cease to qualify as a "mutual fund trust" as defined in the Income Tax Act; or
- (h) it has announced that the Trust will be terminated within 90 days.

The suspension may, at the discretion of the Trustee or the Manager, apply to all requests for redemption received prior to the suspension and as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall (unless the suspension lasts for less than 48 hours) be advised by the Trustee or the Manager of the suspension and that the redemption will be effected on the basis of the Class Net Asset Value per Trust Unit determined on the next Redemption Date following the termination of the suspension. All such Unitholders shall have and shall (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw their requests for redemption.

The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with official rules and regulations promulgated by any Governing Authority having jurisdiction over the Trust, any declaration of suspension made by the Trustee or the Manager shall be conclusive.

6.8 Trustee Redemption of Trust Units

The Trustee may, in his sole discretion, require any Unitholder to redeem any or all Trust Units held by the Unitholder after giving thirty (30) Business Days prior written notice to the Unitholder. If the Trustee sends such a notice, the notice must specify the number of Trust Units to be redeemed. Any redemption made pursuant to this Section 6.6 shall be made at a redemption price equal to the Class Net Asset Value of the Class of Trust Units being redeemed, plus any and all accrued distributions payable thereon in accordance with Article 5 hereof in respect of the Trust Unit being redeemed. Upon receipt of notice by the Unitholder and payment as provided herein, the Unitholder shall cease to have any rights with respect to the Trust Units being redeemed. Notwithstanding the foregoing, the Trustee may not require a Unitholder to redeem any or all of the Trust Units held by such Unitholder if such redemption would result in the Trust not being considered a "mutual fund trust" for purposes of the Income Tax Act (except in the case where all other Trust Units are concurrently being redeemed).

6.9 Transfer of Trust Units

A Unitholder shall be entitled, subject to Applicable Law and the provisions hereof, if permitted by the Trustee or the Manager, to transfer all or, subject to any minimum investment requirements prescribed by the Trustee or the Manager, any part of the Trust Units registered in his name at any time by delivery to the Transfer Agent of a duly executed form of transfer (in the form approved by the Trustee or Manager), which shall (a) contain a clear request that a specified number of Trust Units (or fractions thereof) be transferred, (b) provide the full name and address of the transferee, (c) be irrevocable, (d) contain a guarantee by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Trustee or the Manager of the signature of the transferor thereon, and (e) such other matters as may be prescribed by the Trustee or the Manager; provided however that a Unitholder may not transfer any Trust Unit to any entity described in Section 3.9 of this Trust Indenture. The Trustee or the Manager, as the case may be, in its discretion may prescribe the minimum dollar value of Trust Units which may be transferred.

6.10 Bankruptcy or Insolvency of Unitholder

None of the Trust, the Trustee, nor the Manager, if any, shall be affected by any notice of bankruptcy, insolvency or other event affecting a Unitholder but they may nonetheless, upon becoming aware of any such event, take such action as they may deem appropriate to ensure compliance with Applicable Law to the extent each is obliged hereunder to ensure such compliance and they shall not become liable to a Unitholder for so doing. Any person becoming entitled to any Trust Units in consequence of the bankruptcy or insolvency of any Unitholder, the transfer of Trust Units, or otherwise by operation of law, shall be recorded as the holder of such Trust Units upon production to the record keeper of the proper evidence thereof provided that such person is not an entity described in Section 3.10 of this Trust Indenture. Until such production is made, the Unitholder of record shall be deemed to be the holder of such Trust Units for all purposes hereof and neither the Trustee nor the Manager shall be affected by any notice of such bankruptcy, insolvency or other event and in particular shall not be affected by reason that the Class Net Asset Value per Trust Unit of the Trust Units for the purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of bankruptcy, insolvency or other event is received by the Trustee or the Manager. Notwithstanding the foregoing, upon receipt from a Unitholder of notice that his Trust Units have been pledged or otherwise encumbered, the Trustee or the Manager may, but need not place such restrictions on transfer of the affected Trust Units as are deemed appropriate by the Trustee or the Manager, in its discretion.

6.11 Death of Unitholder

Notwithstanding Section 6.1, in the event of the death of a Unitholder, the Trust Units of such deceased Unitholder shall, upon the Trustee or the Manager being advised in writing of the death of such Unitholder, not be dealt with until directions to redeem satisfactory in form to the Trustee or the Manager and in accordance with instructions received from time to time from the Trustee or the Manager as to payment of any applicable taxes (or a release therefrom), are received from the executor, administrator, survivor, successor or personal representative, as the case may be, of such Unitholder, whereupon the redemption of Trust Units will be processed. The Trustee or the Manager shall not redeem the Trust Units of such deceased Unitholder until it has received such documentation as it deems necessary to make the payment. Notwithstanding the foregoing, until such directions are received, the Unitholder of record shall be deemed to be the holder of such Trust Units for all purposes hereof and the Trustee and the Manager shall incur no liability to any person of any nature whatsoever by reason only that such Trust Units shall not be redeemed until such directions are so received and in particular shall not be affected by reason that the Class Net Asset Value per Trust Unit of the Trust Units for the purposes of redemption is calculated on the day when actual redemption occurs and not on the day when notice of death was received by the Trustee or the Manager. The death of a Unitholder during the continuance of the Trust shall not terminate this Trust Indenture nor give any such deceased Unitholders' legal representatives any right to an accounting or to take any action in the courts or otherwise against other Unitholders or to the Trust Property, but shall simply entitle the legal representatives of any such deceased Unitholder to succeed to all rights of the deceased Unitholder under this Trust Indenture. Upon the death of a Unitholder, prior to any transmission of the Trust Units to an heir or beneficiary of the deceased Unitholder, the Trustee or the Manager shall require an affidavit or declaration of transmission ("**Affidavit**") from the personal representative of the deceased Unitholder ("**Personal Representative**"). Such Affidavit shall state whether or not the carrying out of the terms of the Unitholder's will or the application of the Applicable Law of intestacy, if the Unitholder died without a will, ("**Transmission**"), will result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units. If the Affidavit indicates that the Transmission will result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units, then the Trustee shall cause the Trust to redeem all or such portion of the Trust Units at the Class Net Asset Value per Trust Unit on the date of redemption, or on such other terms as the Trustee in its sole discretion deems equitable in the circumstances with the proceeds of such redemption being payable to the estate of the deceased Unitholder, subject to any Applicable Law relating

to the collection of taxes. If the Affidavit indicates that the Transmission will not result in an entity described in Section 3.10 obtaining a beneficial interest in Trust Units, then the Personal Representative is entitled to become registered as the owner of the Trust Units or to designate a person to be registered as the owner, upon delivery to the Trustee or the Manager of reasonable proof of governing laws of the deceased Unitholder's interest in the Trust Unit, and of the right of the Personal Representative or the designated person to become the registered Unitholder, with the form and content of such required documentation being in the sole discretion of the Trustee or Manager.

6.12 Withholdings by the Trustee

The Trustee or the Manager shall deduct or withhold from all payments and distributions payable to any Unitholder all amounts required by Applicable Law (or proposed law) to be withheld from such payment or such distribution, in the event of a distribution in the form of additional Trust Units, the holder of the Trust Units upon which such distribution is made shall pay to the Trustee or the Manager, prior to the distribution, cash equal to the amount the Trustee or the Manager is required to remit to the applicable authority. If such cash payment is not made, the Trustee or the Manager may redeem Trust Units at the Cash Redemption Price or sell Trust Units on behalf of those Unitholders to pay those withholding taxes and to pay all of the Trustee's or Manager's, as the case may be, reasonable expenses with regard thereto and the Trustee or the Manager, as the case may be, shall have the power of attorney of the Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of those Trust Units. Neither the Trustee nor the Manager shall have any liability whatsoever to any Unitholders and no resort shall be had to the Trust Property, the Trustee or the Manager for satisfaction of any obligation or claim against the Trustee, the Manager or the Trust in connection with the Trust's redemption or sale of Trust Units to comply with its statutory obligations to withhold and remit an amount otherwise payable to the Unitholders.

6.13 Cancellation of Certificates for all Redeemed Trust Units

All Unit Certificates representing Trust Units which are redeemed under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding.

ARTICLE 7 TRUSTEE

7.1 Trustee's Term of Office

There shall be one (1) Trustee of the Trust. Subject to Sections 7.2 and 7.4, the Trustee is hereby appointed as the Trustee of the Trust. The term of office of any person holding office as the Trustee hereunder commences from the date on which its election or appointment becomes effective (which, in the case of the Trustee, is on the date of this Indenture) and shall continue until the earlier of the date of: (i) the termination of the Trust; (ii) the death of the Trustee; (iii) the effective date of the Trustee's resignation in accordance with Section 7.3, (iv) the effective date of the removal of the Trustee by the Unitholders in accordance with Section 7.3, (v) the effective date of the removal of the Trustee by the Manager in accordance with Section 7.3, or (vi) the effective date when the trustee ceases to meet the qualifications as provided in Section 7.2.

7.2 Qualifications of the Trustee

The following persons are disqualified from being a trustee of the Trust:

- (a) anyone who is less than 18 years of age;

- (b) anyone who is of unsound mind and has been found so by a court anywhere in Canada or elsewhere;
- (c) a person who is not an individual;
- (d) a person who has the status of a bankrupt; and
- (e) any person who is defined as a Non-resident.

7.3 Resignation and Removal of the Trustee

- (a) The Trustee may resign from the office of Trustee hereunder by giving to Unitholders and the Manager not less than 90 days' prior written notice of such resignation.
- (b) The Trustee may be removed at any time with or without cause by a resolution passed by more than 75% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a Meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution.
- (c) The Trustee may also be removed at any time by the Manager by notice in writing to the Trustee if, at any time:
 - (i) the Trustee shall no longer satisfy all the requirements of Section 7.2;
 - (ii) the Trustee shall be declared bankrupt or insolvent or shall enter into liquidation, whether compulsory or voluntary, to wind up its affairs;
 - (iii) all of the assets of the Trustee, or a substantial part thereof, shall become subject to seizure or confiscation; or
 - (iv) the Trustee shall otherwise become incapable of performing its responsibilities under this Trust Indenture.
- (d) No resignation or removal pursuant to Sections 7.3(a), 7.3(b) or 7.3(c) shall take effect until the date upon which the last of the following occurs: (i) a successor Trustee is appointed or elected pursuant to Section 7.5, and (ii) the new successor Trustee has accepted such election or appointment and has legally and validly assumed all obligations of the Trustee hereunder.
- (e) Upon the taking effect of any resignation or removal of the Trustee under the terms of this Section 7.3, the Trustee shall:
 - (i) cease to have rights, privileges, powers and authorities of a Trustee hereunder except for indemnities and limitations of liability in its favour which shall survive its resignation or removal;
 - (ii) execute and deliver such documents as the Trustee shall reasonably require for the conveyance, to a successor Trustee, of any Trust Property held in the Trustee's name, and provide for or facilitate the transition of the Trust's activities and affairs to such successor Trustee; and
 - (iii) account to the Manager, as the Manager may require, for all property, including the Trust Property, which the Trustee held or then holds as Trustee.

- (f) Upon the Trustee ceasing to hold office as such hereunder, the Trustee shall cease to be a party (as a Trustee) to this Trust Indenture provided, however, that such Trustee shall continue to be entitled to payment of any amounts owing by the Trust to the Trustee which accrued prior to its vacating of the office of Trustee; and provided further that such Trustee shall continue to be entitled, in respect to all liabilities relating to the period of time when the Trustee held office as Trustee hereunder, to the benefit of any indemnity and limitation of liability provisions which are expressly set out herein and by their terms are for the benefit of the Trustee.
- (g) The resignation or removal of the Trustee, or the Trustee otherwise ceasing to be the Trustee, shall not affect any liabilities of the Trustee in respect of or in any way arising under or out of the Trust Indenture which have accrued prior to such resignation, removal or termination.

7.4 Vacancies

No vacancy of the office of the Trustee shall operate to annul this Trust Indenture or affect the continuity of the Trust.

7.5 Appointment/Election of Successor Trustee

- (a) A successor Trustee to a Trustee which has been removed (i) by Unitholders under Section 7.3(b); or (ii) by the Manager under Section 7.3(c), shall be appointed by an Ordinary Resolution at a Meeting of Unitholders duly called for that purpose, provided the successor meets the requirements of Section 7.2.
- (b) Subject to Section 7.2, the Manager may appoint a successor to any Trustee which has been removed (i) by Unitholders under Section 7.3(b), or (ii) by the Manager under Section 7.3(c), if the Unitholders fail to do so at such Meeting of Unitholders contemplated under Section 7.5(a) above.
- (c) Subject to Section 7.2, the Manager may appoint a successor to any Trustee which has given a notice of resignation under Section 7.3(a).
- (d) If no successor Trustee has been appointed or elected within 90 days of (i) the Trustee's notice of resignation (whether deemed notice or otherwise) under Section 7.3(a); (ii) the death of the Trustee; (iii) the approval of the Unitholders referred to in Section 7.3(b); or (iv) the giving of notice by the Manager to remove the Trustee under Section 7.3(c), as the case may be, any Unitholder (at the expense of the Trust), the Manager, the Trustee or any other interested person, as applicable, may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

Notwithstanding anything herein contained, the election or appointment of a Trustee shall not become effective unless and until such person has, either before or after such election or appointment, executed and delivered to the Trust an acceptance substantially as follows:

To: Gravitas Special Situations Fund (the "**Trust**")

And to: The Trustee of the Trust

The undersigned hereby accepts its election or appointment as the Trustee of the Trust and hereby agrees, upon the later of the date of this acceptance and the date of the undersigned's election or appointment as the Trustee of the Trust, to thereby become a party, as the Trustee, to

the Trust Indenture made as of January 24, 2018, as the same may be amended from time to time, governing the Trust (the "**Trust Indenture**"), and the undersigned further agrees to act as Trustee of the Trust in accordance with the terms of the Trust Indenture.

Dated: _____, _____

 [Print Name]

 [Signature]

Upon the later of a person being elected or appointed as the Trustee hereunder and executing and delivering to the Trust an acceptance substantially as set forth above, such person shall become the Trustee hereunder and shall be deemed to be a party (as the Trustee) to this Trust Indenture, as amended from time to time.

7.6 Right of Successor Trustee

The rights of the Trustee, subject to the terms hereof, to control and exclusively administer the Trust and to have the title to the Trust Property drawn up in its name and all other rights of the Trustee at law shall vest automatically in any person who may hereafter become the Trustee upon its due election or appointment and qualification, in accordance with the terms hereof, without any further act and it shall thereupon have all the rights, privileges, powers, authorities, obligations and immunities of the Trustee hereunder. Such rights shall vest in the Trustee whether or not conveyancing or transfer documents have been executed and delivered pursuant to Section 7.3 or otherwise.

7.7 Compensation and Other Remuneration

The Trustee shall be entitled to receive for its services as Trustee reimbursement of the Trustee's reasonable out-of-pocket expenses incurred in acting as the Trustee, either directly or indirectly, including without limitation the fees and expenses of auditors, accountants, lawyers, appraisers and other professional advisors of the Trust.

The Trustee shall have a priority over distributions to holders of Trust Units pursuant to Article 5 or Section 11.6 in respect of amounts payable or reimbursable to the Trustee pursuant to this Section 7.7.

7.8 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustee or a defect in the qualifications of the Trustee.

ARTICLE 8 TRUSTEE'S POWERS AND DUTIES

8.1 General Powers

The Trustee, subject only to the specific limitations and grant of powers to the Trustee contained in this Trust Indenture, shall have, without further or other action or consent, and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole

judgement and discretion are necessary or incidental to, or desirable for, carrying out the trust created hereunder.

In construing the provisions of this Trust Indenture, presumption shall be in favour of the granted powers and authority to the Trustee. The enumeration of any specific power or authority herein (including pursuant to Section 8.2) shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee. Any delegation of duties to the Manager will not detract from such powers.

To the maximum extent permitted by Applicable Law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

8.2 Specific Powers and Authorities

Subject only to the express limitations contained in this Indenture, and in addition to any powers and authorities conferred by this Indenture (including, without limitation, Section 8.1 hereof) or which the Trustee may have by virtue of any present or future statute or rule of law, the Trustee, without any action or consent by the Unitholders, shall have the following powers and authorities which may be exercised by it from time to time or delegated by it, as herein provided, in its sole judgment and discretion and in such manner and upon such terms and conditions as it may from time to time deem proper:

- (a) to open, operate and close accounts and other similar credit, deposit and banking arrangements and to negotiate and sign banking and financing contracts and agreements;
- (b) to borrow money and request the issuance of letters of credit upon the credit of the Trust and the Trust Property;
- (c) to temporarily hold cash and other short term investments in connection with and for the purposes of the Trust's activities, including paying management, administration and other expenses of the Trust, paying any amounts required in connection with the redemption of Trust Units and making distributions to Unitholders;
- (d) to issue, reissue, sell or pledge debt obligations of the Trust and to make, accept, endorse, negotiate or otherwise deal with bonds, debentures, cheques, drafts, notes, orders for the payment of money, bills of exchange, bills of lading, acceptances and other similar instruments and obligations as may be necessary or useful to carry out the purpose of the Trust;
- (e) to give a guarantee on behalf of the Trust to secure performance of an obligation of another person;
- (f) to mortgage, hypothecate, pledge or otherwise create a security interest in all or any movable or immovable, personal or real or other Trust Property, owned or subsequently acquired, to secure any obligation of the Trust;
- (g) to obtain security, including encumbrances on assets, to secure the full payment of money owed to the Trust and the performance of obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (h) to renew or extend or participate in the renewal or extension of any security, upon such terms as may be deemed advisable, and to agree to an increase or reduction in the rate of

interest (or to agree to a waiver of interest) on any security or to any other modification or change in the terms of any security or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable; and to waive any default whether in performance of any covenant or condition of any security, or in the performance of any guarantee or to enforce the rights in respect of any such default in such manner and to such extent that it may deem advisable;

- (i) to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to revive the obligation on the covenants secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies with respect to any such security or guarantee;
- (j) to obtain or render services for or on behalf of the Trust necessary or useful to carry out the purposes of the Trust;
- (k) to obtain, prepare, compose, design, print, publish, issue and distribute marketing and public relations materials in connection with the Trust;
- (l) to establish places of business of the Trust;
- (m) to manage the Trust Property;
- (n) to invest, hold shares, trust units, beneficial interests, partnership interests, joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;
- (o) to cause legal title to any of the Trust Property to be held in the name of the Trustee or to be drawn up in the name of the Trustee or, to the extent permitted by Applicable Law, in the name of the Trust or any other person;
- (p) to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements of the Trust;
- (q) to determine, among other things, the amount of distributable income, Net Income and Net Realized Capital Gains for the purposes of distributions hereunder and to arrange for distributions to Unitholders pursuant to Article 5 and for redemptions of Trust Units pursuant to Article 6;
- (r) provided there are no issued and outstanding Trust Units, to proceed with the termination, liquidation or winding up of the Trust as it deems reasonable;
- (s) to enter into any agreement or instrument to create or provide for the issue of Trust Units (including any firm or best efforts underwriting agreement), to cause such Trust Units to be issued for such consideration (in cash or property in kind) as the Trustee or the Manager, in its discretion, may deem appropriate and to do such things and prepare and sign such documents, including any prospectus and any registration rights agreement, to qualify such Trust Units for sale in whatever jurisdictions they will be sold or offered for sale;
- (t) to enter into any agreement or instrument (including any firm or best efforts underwriting agreement, warrant agreement or other similar document) to create or provide for the

issue of securities convertible into or exchangeable for any Trust Units or Other Trust Securities, or warrants, options or other rights to acquire any Trust Units or Other Trust Securities, and such agreements or instruments may provide for any matter determined by the Trustee or the Manager to be necessary or useful including provisions pertaining to securities certificates (form, manner of execution, and certification), maintenance of registers, use of book-based versus certificated system, repurchases, redemptions and transfers;

- (u) to cause Other Trust Securities to be issued for such consideration as the Trustee, in its sole discretion, may deem appropriate and to do such things and prepare and sign such documents, including any prospectus and any registration rights agreement, to qualify such Other Trust Securities for sale in whatever jurisdictions they are to be sold or offered for sale;
- (v) to issue or provide for the issuance of Trust Units on terms and conditions and at such time or times as the Trustee or Manager may determine, including issuances in accordance with Section 5.2 and issuances in connection with Unitholder rights plans, incentive plans, and other plans established under Section 4.1;
- (w) to redeem or repurchase Trust Units in accordance with the terms set forth in this Indenture;
- (x) to determine conclusively the value of any or all of the Trust Property from time to time and, in determining such value, to consider such information and advice as the Trustee or the Manager, in its sole judgement, may deem material and reliable;
- (y) to pay, out of the Trust Property, all reasonable fees, costs and expenses incurred, from time to time, in the management and administration of the Trust, including those in connection with any Offering;
- (z) where reasonably required, to engage or employ on behalf of the Trust any persons as administrators, trustees, agents, advisors, representatives, employees, independent contractors or subcontractors (including, without limitation, the Manager, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers or otherwise) in one or more capacities;
- (aa) to the extent not prohibited by Applicable Law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors, subcontractors or other persons without liability to the Trustee except as provided in this Trust Indenture;
- (bb) to appear and respond to all orders issued by a Governing Authority or claims made by another person, to make all affidavits, sworn declarations and solemn affirmations with respect to such matters, to put in default, sue for and receive all sums of money or obligations due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the Trust Property or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (cc) to arrange for insurance contracts and policies insuring the Trust, the Trust Property, and/or the Trustee or the Unitholders, including against any and all claims and liabilities

of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustee or Unitholders or otherwise, and to perform all of the obligations of the Trust under such insurance policies and contracts, the whole to the extent permitted by Applicable Law;

- (dd) to do all such things and take all such action, and to negotiate, make, execute, acknowledge and deliver any and all deeds, instruments, contracts, waivers, releases or other documents, necessary or useful for the exercise or accomplishment of: (i) any of the powers herein granted to the Trustee, (ii) the purposes of the Trust as set forth in Section 4.1, and (iii) all of the rights and obligations of the Trustee hereunder; including, without limitation, the negotiation and execution of the Management Agreement and agreements in connection with an Offering;
- (ee) to postpone and subordinate, in right of payment, all present and future indebtedness, liabilities and obligations of a person owed to the Trust to payment in full of all present and future indebtedness, liabilities and obligations of such person to lenders and other creditors of such person, and to enter into any agreement or instrument to create or provide for such postponement and subordination in favour of such lenders and creditors;
- (ff) to indemnify, out of the Trust Property, any person (including without limitation, any director or officer of the Manager) against any and all liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable consequential damages), costs, expenses, fines, penalties and losses (including sums paid by such person in settlement of claims and all reasonable consultant, expert and legal fees and expenses) or any resulting damages, harm or injuries to such person or property of any third parties arising from the business carried on by the Trust;
- (gg) to provide or cause to be provided to any bank, creditor, financial institution or any other person such guarantees, indemnities, postponements and subordinations, acknowledgements, assurances or other credit support, in any form whatsoever, as the Trustee, in its sole discretion, deems necessary, useful or desirable in connection with the establishment or arrangement of any and all debt or equity financings of Affiliates and Associates of the Trust, including any extensions, renewals, refinancings or replacements thereof, and to enter into any agreement, indenture, instrument or other document on such terms and conditions as the Trustee, in its sole discretion, may deem appropriate in the circumstances in connection with such financings; and
- (hh) to do all such other acts and things as are necessary, useful, incidental or ancillary to the foregoing and to exercise all powers and authorities which are necessary, useful, incidental or ancillary to carry on the affairs of the Trust, to promote the purpose for which the Trust is formed and to carry out the provisions of this Trust Indenture.

The Trustee shall, except as may be prohibited by Applicable Law, have the right to delegate authority for the above-referenced matters to a trustee or manager where the Trustee determines in its sole discretion that such delegation is desirable to effect the management or administration of the Trust.

8.3 Further Powers of the Trustee

The Trustee shall have the power to prescribe any form of document or other instrument provided for or contemplated by this Trust Indenture and the Trustee may make, adopt, amend, or repeal regulations containing provisions relating to the conduct of the affairs of the Trust not inconsistent with Applicable Law or with this Trust Indenture (the "**Trustee's Regulations**"). The Trustee shall also be entitled to make any reasonable decisions, designations or determinations not contrary to this Trust

Indenture which it may determine are necessary or desirable in interpreting, applying or administering this Trust Indenture or in administering, managing or operating the Trust. Any Trustee's Regulations, decisions, designations or determinations made pursuant to this Section shall be conclusive and binding upon all persons affected thereby.

8.4 Restrictions on the Trustee's Powers and their Exercise

In addition to any other provisions set forth herein requiring the approval of Unitholders in respect to certain matters, or as a condition precedent to taking certain actions, it is agreed that:

- (a) where an Auditor has been appointed, the Trustee shall not, without the approval of the Unitholders by Ordinary Resolution, appoint or change the Auditor except in the event of a voluntary resignation by the Auditor; and
- (b) the Trustee shall not, without the approval of the Unitholders by Special Resolution:
 - (i) amend this Trust Indenture, except as permitted in Article 9;
 - (ii) authorize the termination, liquidation or winding up of the Trust, other than pursuant to a termination in accordance with Section 8.2(r) or Section 11.1; or
 - (iii) authorize any sale, lease or exchange of all or substantially all of the Trust Property.

8.5 Standard of Care

The standard of care required of the Trustee in exercising its powers and carrying out its functions under this Trust Indenture shall be that it exercise its powers and carry out its functions hereunder as Trustee honestly, in good faith with a view to the best interests of the Trust and the Unitholders and that in connection therewith it exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Unless otherwise required by Applicable Law, the Trustee shall not be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustee shall not be required to devote its entire time to the affairs of the Trust.

For greater certainty, to the extent that the performance of certain duties and activities has been granted to the Manager in this Trust Indenture, or that the Trustee has delegated the performance of certain duties and activities to the Manager, the Trustee shall be deemed to have satisfied the aforesaid standard of care.

8.6 Reliance Upon the Trustee and/or the Manager

Any person dealing with the Trust in respect of any matters pertaining to the Trust, the Trust Property or securities of the Trust shall be entitled to rely on a certificate or statutory declaration executed by the Trustee, the Manager or, without limitation, such other person as may be authorized by the Trustee as to the capacity, power and authority of the Trustee, the Manager or any other person, to act for and on behalf and in the name of the Trust. No person dealing with the Trustee shall be bound to see to the application of any money or property passing into the hands or control of the Trustee. The receipt by or on behalf of the Trustee of money or other consideration shall constitute receipt by the Trust and be binding thereon.

8.7 Determinations Binding

All determinations of the Trustee and any agent to whom the Trustee has delegated duties (including the Manager), whether delegated hereunder or pursuant to any other agreement (including the Management Agreement), where such determinations are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Trust Indenture, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "deferred profit sharing plan", "registered disability savings plan", "tax-free savings account" (all within the meaning of the Income Tax Act), or such other trust or plan registered under the Income Tax Act, upon past, present or future trust or plan beneficiaries and trust or plan holders), and Trust Units shall be issued and sold on the condition and understanding that any and all such determinations shall be final, conclusive and binding as aforesaid.

8.8 Banking

The banking activities of the Trust, or any part thereof, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustee or the Manager may designate, appoint or authorize from time to time and all such banking activities, or any part thereof, shall be transacted on behalf of the Trust by the Trustee, the Manager or such other persons as the Trustee may designate, appoint or authorize from time to time, including, without limitation, the following activities:

- (a) the operation of the accounts of the Trust;
- (b) the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;
- (c) the giving of receipts for orders relating to any Trust Property;
- (d) the execution of any agreement or instrument relating to any Trust Property; and
- (e) the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto, and the authorizing of any officer of such banker to do any act or thing on the Trust's behalf to facilitate such banking activities.

8.9 Conditions Precedent

The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of performing its duties under this Indenture or enforcing the rights of the Trustee and of the Unitholders shall, if required by notice in writing by the Trustee, be conditional upon the Trustee, the Manager, the Unitholders or any other person furnishing sufficient funds to commence or continue such act, action or proceeding and furnishing an indemnity (in each case only to the extent sufficient funds for such purpose are not available, or might reasonably be expected not to be available, in the Trust) satisfactory to the Trustee, acting reasonably, to protect and hold harmless the Trustee against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is indemnified as aforesaid.

8.10 Fees and Expenses

As part of the expenses of the Trust, the Trustee may pay or cause to be paid reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust and in connection with the discharge of any of the Trustee's duties herein, including, without limitation, fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors employed by or on behalf of the Trust (including the Manager) and the cost of reporting to and giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustee on behalf of the Trust shall be payable out of the Trust Property.

8.11 Payments to Unitholders

Except as may be otherwise provided herein, any cash payment required under the terms of this Trust Indenture to be made to a Unitholder shall be paid in Canadian dollars, unless otherwise determined by the Trustee or the Manager, with such payment to be by cheque or bank draft to the order of the registered Unitholder and may be mailed by ordinary mail to the last address appearing on the books of the Trust in respect of such Unitholder but may also be paid in such other manner as such Unitholder has designated to the Trustee and the Trustee has accepted. In the case of joint registered Unitholders, any cash payment required hereunder to be made to a Unitholder shall be deemed to be required to be made to such Unitholders jointly and shall be paid by cheque or bank draft but may also be paid in such other manner as the joint registered Unitholders or any one of the joint registered Unitholders has designated to the Trustee and the Trustee has accepted. For greater certainty, a Unitholder or any one of the joint registered Unitholders may designate and the Trustee may accept that any payment required to be made hereunder shall be made by deposit to an account of such Unitholder or to a joint account of such Unitholder and any other person or in the case of joint registered Unitholders to an account of joint registered Unitholders or to an account of any one of the joint registered Unitholders. A cheque or bank draft shall, unless the joint registered Unitholders otherwise direct, be made payable to the order of all of the said joint registered Unitholders, and if more than one address appears on the books of the Trust in respect of such joint registered Unitholders, the cheque or bank draft or payment in other acceptable manner as aforesaid may be sent to the address of any one of the joint registered Unitholders whose name and address appears on the books of the Trust. All payments made in the aforesaid manner shall satisfy and be a valid and binding discharge of all liability of the Trustee or the Trust for the amount so required to be paid unless the cheque or bank draft is not paid at par on presentation at Calgary, Alberta, or at any other place where it is by its terms payable. In the event of non-receipt of any such cheque or bank draft by the person to whom it was mailed, the Trustee on proof of the non-receipt and upon satisfactory indemnity being given to it and to the Trust, shall issue to the person a replacement cheque or bank draft for a like amount.

The receipt, by the registered Unitholder, of any payment not mailed or paid in accordance with this Section 8.11 shall nonetheless be a valid and binding discharge to the Trust and to the Trustee for any payment made in respect of the registered Trust Units, and if several persons are registered as joint registered Unitholders or, in consequence of the death, bankruptcy or incapacity of a Unitholder, one or several persons are entitled so to be registered in accordance with Sections 3.20 and 3.21, receipt of payment by any one of them shall be a valid and binding discharge to the Trust and to the Trustee for any such payment.

8.12 Trustee May Have Other Interests

Subject to Applicable Law, and without affecting or limiting the duties and responsibilities or the limitations and indemnities provided in this Indenture, the Trustee is hereby expressly permitted to:

- (a) be an Associate or an Affiliate of a Person from or to whom Trust Property has been or are to be purchased or sold;

- (b) be, or be an Associate or an Affiliate of, a Person with whom the Trust contracts or deals or which supplies services to the Trust;
- (c) acquire, hold and dispose of, either for its own account or the accounts of its customers, any assets not constituting part of the Trust Property, even if such assets are of a character which could be held by the Trust, and exercise all rights of an owner of such assets as if it were not a Trustee;
- (d) carry on its business in the usual course while it is the Trustee, including the rendering of trustee or other services to other trusts and other Persons for gain, including other trusts with whom the Trust or any of their Affiliates may enter into any transaction or which may compete in any aspect of their respective businesses; and
- (e) derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with the Trust or the relationships, matters, contracts, transactions, affiliations or other interests stated in this Section 8.12 without being liable to the Trust or any Unitholder for any such direct or indirect benefit, profit or advantage.

Subject to Applicable Law, none of the relationships, matters, contracts, transactions, affiliations or other interests permitted above shall be, or shall be deemed to be or to create, a material conflict of interest with the Trustee's duties hereunder.

8.13 Trustee to Declare Interest

Forthwith upon the Trustee becoming aware that it is a party to, or is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Trust, the Trustee shall disclose in writing to the Trust and the Manager the nature and extent of the interest, and, for greater certainty, upon the Trustee complying with this Section 8.13, the Trustee shall not be subject to any liability to the Trust or the Unitholders with respect to the Trust entering or having entered into such material contract or proposed material contract as aforesaid.

8.14 Acknowledgement and Consent of Conflict of Interest

The Unitholders acknowledge that subject to the Trustee's general obligations under this Indenture:

- (a) the Trustee and its Affiliates may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Trust Property and may use the same or different information and trading strategies obtained, produced or utilized in managing the Trust Property and Affiliates of the Trustee and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership;
- (b) the Trustee and its Affiliates and their respective directors, officers and shareholders, if applicable, may be and are permitted to be engaged in and continue in the private investment and other businesses in which the Trust may or may not have an interest and which may be competitive with the activities of the Trust and, without limitation, the Trustee and its Associates and Affiliates may be and are permitted to act as a partner, shareholder, officer, director, joint venturer, trustee, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships and trusts, which may be engaged in all or some of the aspects of the business of the Trust and may be in competition with the Trust; and

- (c) Trust activities may lead to the incidental result of providing additional information with respect to, or augmenting the value of, assets or properties in which the Trustee or other parties not at arm's length with the Trustee have or subsequently acquire either a direct or indirect interest.

Subject to the Trustee's general obligations hereunder, the Unitholders agree that the activities and facts as set forth in this Section 8.14, shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders, the Unitholders hereby consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that neither the Trustee nor any other party referred to in this Section 8.14 will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Trustee hereunder unless such activity is contrary to the express terms of this Indenture.

8.15 Documents Held by Trustee

Any securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee or of any chartered bank in Canada, including an Affiliate of the Trustee, or deposited for safekeeping with any such bank.

ARTICLE 9 AMENDMENTS TO THE TRUST INDENTURE

9.1 Amendment

The provisions of this Trust Indenture may only be amended by Special Resolution except where specifically otherwise provided herein, including pursuant to Sections 9.2 and 9.3.

9.2 Amendment without Approval

Notwithstanding anything herein contained (but subject to Section 9.3), the provisions of this Trust Indenture may be amended by the Trustee at any time and from time to time, without the consent, approval or ratification of the Unitholders or any other person at any time for the purpose of:

- (a) ensuring continuing compliance, by the Trust, with Applicable Law, regulations, requirements or policies of any Governing Authority having jurisdiction over the Trustee or the Trust;
- (b) providing, in the opinion of the Trustee, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;
- (c) making amendments hereto which, in the opinion of the Trustee, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration;
- (d) making minor corrections, or removing or curing any conflicts or inconsistencies between the provisions of this Indenture or any supplemental indenture and any other agreement of the Trust or any offering document with respect to the Trust, or any Applicable Law or regulation of any jurisdiction, provided that in the opinion of the Trustee the rights of the Unitholders are not materially prejudiced thereby;

- (e) providing for the electronic delivery by the Trust to Unitholders of documents relating to the Trust (including annual and quarterly reports, including financial statements, notices of Unitholder meetings and information circulars and proxy related materials) at such time as applicable securities laws have been amended to permit such electronic delivery in place of normal delivery procedures, provided that such amendments to the Indenture, based on the advice of counsel, are not contrary to or do not conflict with such laws;
- (f) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, in the opinion of the Trustee, the rights of the Unitholders are not materially prejudiced thereby;
- (g) making amendments hereto as are required to undertake an Internal Reorganization;
- (h) making amendments hereto as are required to reclassify the outstanding Trust Units; and
- (i) making amendments hereto for any purpose (except one in respect of which a vote by Unitholders is expressly otherwise required), provided that, in the opinion of the Trustee, the rights of the Unitholders are not materially prejudiced thereby.

9.3 Further Restrictions on Amendments

No amendment shall be made to this Trust Indenture:

- (a) to modify the voting rights attributable to any Trust Unit or reduce the fractional undivided beneficial interest in the Trust Property represented by any Trust Unit without the consent of the holder of such Trust Unit; and
- (b) to amend this Section 9.3, unless the consent of all Unitholders is obtained.

9.4 Notification of Amendment

Following the making of any amendment pursuant to Section 9.2, the Trustee shall provide written notification of the substance of such amendment to each Unitholder and such notification shall be delivered concurrent with the next succeeding mailing of financial statements of the Trust (whether quarterly or annual financial statements), pursuant to Section 16.4.

9.5 Further Acts Regarding Amendment

When a vote of the Unitholders approves an amendment to this Trust Indenture, then the Trustee and the Manager, as applicable, shall sign such documents, on behalf of the Trust, as may be necessary to effect such amendment, provided that nothing herein contained shall be construed so as to:

- (a) obligate the Trustee to give effect to any amendment to this Trust Indenture which has an effect on any of the Trustee's rights, protections and obligations hereunder which is adverse to the Trustee; or
- (b) obligate the Manager, acting on its own behalf and for its own account, to agree to any amendment to this Trust Indenture which has an effect on any of the Manager's rights, protections and obligations hereunder or under the Management Agreement which is adverse to the Manager.

ARTICLE 10
MEETINGS OF UNITHOLDERS

10.1 Meetings

At the discretion of the Trustee, on the advice of the Manager, as applicable, there shall be a Meeting of Unitholders for the purpose of:

- (a) the appointment of the auditors of the Trust for the ensuing period;
- (b) the election of a successor Manager under Section 13.5;
- (c) transacting such other business as the Trustee may determine or as may properly be brought before the meeting.

A Meeting of Unitholders shall be held at a minimum of once every thirty-six (36) months from the date of this Trust Indenture.

10.2 Other Meetings

- (a) *Meetings of a Class of Unitholders:* The provisions of this Section 10.2 and the remainder of the provisions contained in Sections 10.3 to 10.10, inclusive, shall not only have application to a Meeting of Unitholders but shall be equally applicable, as the context requires, to meetings of a Class; and, accordingly, such provisions (including the use of the word "Unitholders" throughout) shall be so construed and applied, mutatis mutandis, so as to give effect to such interpretation.
- (b) *Called by the Trustee:* The Trustee shall have the power, at any time and for any purpose, to call a special Meeting of the Unitholders at such time and place as the Trustee may determine or the Manager may request (and, for greater certainty, the Trustee shall call a special meeting of Unitholders upon request of the Manager).
- (c) *Requisition by Unitholders:* Unitholders, or Unitholders of a Class, as applicable, holding in the aggregate not less than 25% of all votes entitled to be voted at a Meeting of Unitholders, or the Unitholders of a Class, as the case may be, may requisition the Trustee to call a special Meeting of Unitholders, or of the Unitholders of that Class, as the case may be, for the purposes stated in the requisition. The requisition shall (A) be in writing, (B) set forth the name and address of, and number of Trust Units (which must not be less than 25% of all votes entitled to be voted at a Meeting of such Unitholders) held by, each person who is supporting the requisition, and (C) shall state in reasonable detail the business to be transacted at the meeting and shall be sent to the Trustee at the Trustee's principal place of business in Alberta. Upon receiving a requisition complying with the foregoing, the Trustee shall call a Meeting of such Unitholders to transact the business referred to in the requisition, unless:
 - (i) the Trustee has called a Meeting of Unitholders and has given notice thereof pursuant to Section 10.3; or
 - (ii) in connection with the business as stated in the requisition:
 - (A) it clearly appears that a matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustee, the

Manager (or any Associate or Affiliate of the Manager), the Unitholders or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Trust;

- (B) the Trust, at the Unitholder's request, had previously included a matter substantially the same as a matter covered by the requisition in an information circular relating to a Meeting of Unitholders held within 30 months preceding the receipt of such requisition and the Unitholder failed to present the matter, in person or by proxy, at the meeting;
 - (C) substantially the same matter covered by the requisition was submitted to Unitholders in an information circular relating to a Meeting of Unitholders held within 30 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (D) it appears that the rights conferred by this Section 10.2 are being abused to secure publicity.
- (iii) *Failure to Call Meeting*: If there shall be no Trustee or if the Trustee does not, within 21 days after receiving the requisition, call a meeting (except where the grounds for not calling the meeting are one or more of those set forth in Section 10.2(b) above), any Unitholder who signed the requisition or the Manager, as the case may be, may call the meeting in accordance with the provisions of Article 10, mutatis mutandis.

10.3 Notice of Meeting of Unitholders

Notice of all meetings of the Unitholders shall be given or sent by unregistered mail postage prepaid addressed to each Unitholder at his registered address, mailed at least 21 days and not more than 60 days before the meeting (or within such other time periods as required or permitted by applicable securities laws). The attendance of a Unitholder at a meeting (whether in person or by proxy) shall constitute a waiver of notice, or defect therein, with respect to such meeting except where a Unitholder attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Such notice shall set out the time when, and the place where, such meeting is to be held and shall state the purposes of the meeting. Any adjourned meeting may be held as adjourned without further notice. The accidental omission to give notice to or the non-receipt of such notice by the Unitholders shall not invalidate any resolution passed at any such meeting.

10.4 Quorum; Chairman

A quorum for any Meeting of Unitholders shall be one or more persons present in person and being Unitholders or representing, by proxy, Unitholders, and who hold in the aggregate not less than 5% of all votes entitled to be voted at the meeting. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened on requisition of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to a day not less than 14 days later and to such place and time as may be determined by the chairman of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders entitled to vote at such meeting and present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with

the notice calling the same. Such individual as may be appointed by the Trustee on the advice of the Manager, shall be the chairman of any Meeting of Unitholders.

10.5 Voting

- (a) Except for meetings of a particular Class, the holders of the Trust Units shall be entitled to receive notice of and to attend all Meetings of the Unitholders of the Trust, either in person or by proxy, and shall be entitled to one (1) vote in respect of each Trust Unit held at all such meetings.
- (b) Every question submitted to a meeting, other than questions to be decided by Special Resolution or a resolution under Section 7.3(b), shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote at any Meeting of Unitholders, each Trust Unit shall be entitled to the number of votes set out in Section 10.5(a).
- (c) Any action taken or resolution passed in respect of any matter at a Meeting of Unitholders shall be by Ordinary Resolution, unless the contrary is otherwise expressly provided under any specific provision of this Trust Indenture.
- (d) The chairman of any Meeting of Unitholders shall not have a second or casting vote.

10.6 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof, or who are entitled to receive any distribution, or for the purpose of any other action, the Trustee may from time to time, without notice to Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustee may determine. With or without closing the transfer books, the Trustee may fix a date not more than 60 days prior to the date of any Meeting of Unitholders or any distribution or any other action to be taken by the Trust, as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to receive such distribution or to be treated as Unitholders of record for purposes of such other action, as the case may be. Any Unitholder who was a Unitholder (in respect of the Class of Trust Units in respect of which such meeting has been called) at the record date so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to receive such distribution, or to be treated as a Unitholder of record for purposes of such other action, even though he has since that date disposed of his Trust Units, and no person who becomes a Unitholder after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, or to receive such distribution, or to be treated as a Unitholder of record for purposes of such other action. In the event that the Trustee does not fix a record date for any Meeting of Unitholders, the record date for such meeting shall be the Business Day immediately preceding the date upon which notice of the meeting is given in accordance with Article 10.

10.7 Proxies

Whenever the vote or consent of Unitholders is required or permitted under this Trust Indenture, such vote or consent may be given either directly by the Unitholder or by a proxy in written form, electronic or other technologically enhanced form, or such other form as is acceptable to the Trustee acting reasonably. A proxy holder need not be a Unitholder. The Trustee may solicit such proxies from the Unitholders or any of them in respect of any matter requiring or permitting the Unitholders' vote, approval or consent in such manner as may be required or permitted by Applicable Law.

Provided not contrary to Applicable Law, the Trustee may adopt, amend or repeal such rules relating to proxies, including pertaining to the appointment of proxy holders and the solicitation, execution, validity, revocation and deposit of proxies, as it in its discretion from time to time determines and such rules may be contained in the Trustee's Regulations.

10.8 Solicitation of Proxies

The Trustee may solicit proxies from Unitholders in connection with all Meetings of Unitholders.

10.9 Resolution in Lieu of Meeting

A resolution signed in writing by Unitholders holding a proportion of all the outstanding votes entitled to be voted at a Meeting of Unitholders, where such proportion is equal to or greater than the proportion of votes required to be voted in favour of such resolution at a Meeting of Unitholders to approve that resolution, is as valid as if it had been passed at a Meeting of Unitholders duly called and convened for the purpose of approving that resolution.

10.10 Voting of Trust Units by Manager

Nothing herein contained shall prevent or diminish the right of the Manager or its Affiliates or Associates to vote any Trust Units which may be beneficially owned by it or them in its or their absolute discretion.

10.11 Binding Effect of Resolutions

Every Ordinary Resolution, Special Resolution or other resolution passed in accordance with the provisions of this Indenture at a Meeting of Unitholders shall be binding upon all the Unitholders whether present at or absent from such meeting, and each and every Unitholder shall be bound to give effect to every such Ordinary Resolution, Special Resolution or other resolution passed in accordance with the provisions of this Indenture at a Meeting of Unitholders.

10.12 No Breach

Notwithstanding any provisions of this Indenture, the Unitholders shall not have the power to effect any amendment hereto which would require the Trustee to take any action or conduct the affairs of the Trust in a manner which would constitute a breach or default by the Trust or the Trustee under any agreement binding on or obligation of the Trust or the Trustee.

10.13 Resolutions Binding the Trustee

- (a) Unitholders shall be entitled to pass resolutions that will bind the Trustee only with respect to the following matters:
 - (i) the election or removal of the Trustee;
 - (ii) the appointment or removal of Auditor;
 - (iii) amendments of this Trust Indenture;
 - (iv) the termination or dissolution of the Trust; and
 - (v) any other matter referred to in Section 8.4 hereof.

- (b) Except with respect to the above matters set out in this Section 10.13, no action taken by the Unitholders or any resolution of the Unitholders at any meeting shall in any way bind the Trustee.

ARTICLE 11 TERMINATION

11.1 Term of the Trust

Subject to the other provisions of this Indenture, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on January 24, 2018. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

11.2 Termination with the Approval of Unitholders

The Trust shall be wound-up or terminated if the Unitholders pass a Special Resolution, authorizing such wind-up or termination, at a Meeting of Unitholders duly called for the purpose of considering the wind-up or termination of the Trust. Following the passage of such Special Resolution, the Trustee shall commence to wind-up or terminate (as the case may be) the affairs of the Trust. Such Special Resolution may contain such directions to the Trustee as the Unitholders determine. In addition, the Trust shall be wound up and terminated should Unitholders fail to pass an Ordinary Resolution electing a successor Manager under Section 13.5 within 90 days of the resignation or removal of the Manager.

11.3 Procedure Upon Termination

Forthwith upon being required to commence to wind-up or terminate the affairs of the Trust, the Trustee shall give notice of such wind-up or termination to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Trust Units for cancellation and the date at which the Registers of Trust Units of the Trust shall be closed.

11.4 Powers of the Trustee Upon Termination

After the date on which the Trustee is required to commence to wind-up or terminate the affairs of the Trust, the Trustee shall carry on no activities except for the purpose of winding-up or terminating (as the case may be) the affairs of the Trust as hereinafter provided and, for this purpose, the Trustee shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustee under this Trust Indenture.

11.5 Sale of Investments

After the date referred to in Section 11.4, the Trustee shall proceed to wind-up or terminate, as the case may be, the affairs of the Trust as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a wind-up or termination authorized under Section 11.2, sell and convert into money the Trust Property and do all other acts appropriate to liquidate the Trust, and shall in all respects act in accordance with the directions, if any, of the Unitholders (in respect of a wind-up or termination authorized under Section 11.2). If the Trustee is unable to sell all or any of the Trust Property or other assets which comprise part of the Trust by the date set for wind-up or termination, the Trustee may distribute undivided interests in the remaining Trust Property or other assets directly to the holders of Trust Units in accordance with their entitlements to the Trust Property on a

wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

11.6 Distribution of Proceeds

After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and providing for an indemnity against any other outstanding expenses, liabilities and obligations, or possible expenses, liabilities and obligations, including without limitation those that may arise pursuant to Section 11.7 hereof, the Trustee shall distribute the remaining part of the proceeds of the sale of the Trust Property to the holders of the Trust Units in accordance with their entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

11.7 Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Trust Units for cancellation within six (6) months after the time specified in the notice referred to in Section 11.3, the Trustee shall give further notice to the remaining Unitholders to surrender their Trust Units for cancellation and if, within one (1) year after the further notice, all the Trust Units shall not have been surrendered for cancellation, such remaining Trust Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their proper entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units, and the Trustee may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustee, the Trustee may pay such amounts into court in the province where the Trust has its head office (or to such other suitable government official or agency in the province where the Trust has its head office) whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustee with respect to such amounts.

11.8 Responsibility of the Trustee after Sale and Conversion

The Trustee shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date referred to in Section 11.4 and, after such sale, the sole obligation of the Trustee under this Trust Indenture shall be to collect, distribute and hold such proceeds in trust for distribution under this Article 11.

ARTICLE 12 LIABILITY OF TRUSTEE, UNITHOLDERS AND OTHER MATTERS

12.1 Acting on Behalf of the Trust

The Trustee, the Manager and the directors, officers, employees, consultants and agents of the Trust, the Trustee and the Manager, as the case may be, in incurring any debts, liabilities or obligations, or taking or omitting any other actions for or in connection with the affairs of the Trust are, and shall be conclusively deemed to be, acting for and on behalf of the Trust, and not in their own personal capacities.

12.2 General Limitations of Liability

- (a) *Reliance on Experts:* The Trustee and the Manager shall be entitled to rely on, and shall not be liable for acting or failing to act, in good faith, in relation to any matter relating to this Trust where such action or failure to act is based upon, statements from, the opinion

or advice of, or information from the Auditor, legal counsel, valuator, engineer, surveyor, appraiser or other expert (herein "**Experts**") where it is reasonable to conclude that the matter in respect of which such statements are made, or opinion or advice given, ought to be within the expertise of such Expert, provided that, with respect to Experts other than the Auditor and legal counsel, the Trustee or the Manager, as the case may be, has satisfied its standard of care in Sections 8.5 and 13.3, respectively, in selecting such Expert.

- (b) *Good Faith Reliance:* Neither the Trustee or the Manager shall be liable to any Unitholder, beneficial Unitholder, holder of Other Trust Securities or annuitant (collectively, a "**Beneficiary**") or other persons in relying in good faith upon statements or information from, the opinion or advice of, or instruments or directions given by an officer, director, employee or agent of the Manager, the Trustee, or by a broker, a custodian or any Beneficiary, or by such other parties as may be authorized to give instructions or directions to the Trustee or the Manager. The Trustee, the Manager, and their respective directors, officers, employees and agents, as applicable, shall not be liable to any Beneficiary or other persons for, and shall each be fully protected from liability in respect to, acting upon any instrument, certificate or paper believed by it, in good faith, to be genuine and signed or presented by the proper person or persons.
- (c) *Tax Matters:* None of the Trust, the Manager, or the Trustee shall be accountable or liable to any Beneficiary by reason of any act or acts of any such person consistent with the carrying out of any obligations or responsibilities imposed upon any such person under the Income Tax Act.

12.3 Limitation of Liability of Trustee

- (a) *Limit on Liability:* In addition to and without limiting any other limits on the liability of the Trustee set forth herein, the Trustee, as trustee of the Trust, shall have no liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any Beneficiary and no resort shall be had to its property or assets for satisfaction of any obligation, liability or claim against it or the Trust (and the Trust only shall be liable, and the Trust Property only subject to levy or execution in respect thereof), where such obligation, liability or claim arises out of or in connection with, directly or indirectly, the Trust Property or the conduct and undertaking of the activities and affairs of the Trust, including (i) the performance or lack of performance of the Trustee's duties, responsibilities, powers, authorities and discretion under this Indenture, (ii) the performance or lack of performance of the Manager's duties, responsibilities, powers, authorities and discretion (including the Indenture Conferred Duties); and (iii) any depreciation of, or loss to, the Trust incurred by reason of the retention or sale (or other dealing with) of any Trust Property; unless any of the foregoing arises from the wilful misconduct, bad faith or gross negligence by the Trustee or the breach by the Trustee of the standard of care and duty prescribed by Section 8.5.
- (b) *Indemnity:* The Trustee and each of its agents, and any respective heirs, legal representatives and successors (each an "**Indemnified Party**") shall be indemnified and saved harmless by the Trust from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including without limitation judgments, fines, penalties, amounts paid in settlement and legal fees on a solicitor-client basis, including disbursements) (collectively, "**Claims**") of whatsoever kind or nature incurred by, borne by or asserted against any of the Indemnified Parties and which in any way arise from or relate in any manner to this Trust Indenture, unless such Claims arise principally and

directly from the gross negligence or willful default of an Indemnified Party. In addition to those limits on the liability of the Trustee set forth in Section 12.2. If, in circumstances where there is to be no liability on the Trustee pursuant to the provisions of Sections 12.2 and 12.3(a), the Trustee is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to the Trustee, then the Trustee shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the fees and disbursements of legal counsel.

12.4 Limitation of Liability of Manager

- (a) *Limit on Liability:* Except for any obligation or claim arising out of its own wilful misconduct, bad faith or gross negligence in respect of its performance of the Indenture Conferred Duties, the Manager shall, in addition to those limits on its liability as set forth in Section 12.2, have no liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise to any person (including the Trust, the Trustee or any Beneficiary), nor shall resort be had to the property or assets of the Manager for satisfaction of any obligation or claim arising out of or in connection with, directly or indirectly, the Indenture Conferred Duties, the Trust Property and the conduct and undertaking of the activities and affairs of the Trust, and the Trust only shall be liable, and the Trust Property only subject to levy or execution, in respect thereof.
- (b) *Indemnity:* If, in circumstances where there is to be no liability on the Manager pursuant to the provisions of Sections 12.2 and 12.4(a), the Manager is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to the Manager, then the Manager shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel.

12.5 No Beneficiary Liability

- (a) *No Beneficiary Liability:* No Beneficiary, in its capacity as such, shall be subject to any liability whatsoever (whether direct or indirect, absolute or contingent) in tort, contract or otherwise, to any person and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Beneficiary for any liability whatsoever in connection with the following (collectively, "**Trust Liabilities**"): (i) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or the exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom; (ii) the obligations, liabilities, activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Trustee, the Manager or any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Trust Indenture); or (iv) any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustee or the Manager (on behalf of the Trust) in connection with the activities or affairs of the Trust, provided that each Beneficiary always remains responsible for (and shall not be indemnified from) any liability for taxes assessed against them by reason of or arising out of their ownership of Trust Units or Other Trust Securities. No Beneficiary, in its capacity as such, shall be liable to indemnify the Trustee or any other person with respect to any Trust Liabilities. The Trustee and the Manager hereby waive to the maximum

extent possible any right to indemnification which it may have against any Beneficiary under any Applicable Law.

- (b) *Indemnity*: If, in circumstances where there is to be no liability on a Beneficiary pursuant to the provisions of Section 12.5(a), a Beneficiary shall be held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in loss to such Beneficiary, then the Beneficiary shall be entitled to indemnity and reimbursement out of the Trust Property, in accordance with Section 12.6, to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, the reasonable legal fees and disbursements of its legal counsel.

12.6 Indemnification and Reimbursement

- (a) Subject to being entitled to indemnification hereunder by virtue of Sections 12.3(b), 12.4(b) and 12.5(b), each person who is, or shall have been a Trustee or a Beneficiary (collectively, an "**Indemnified Party**") shall be indemnified and reimbursed by the Trust out of the Trust Property in respect of any and all liabilities and expenses (including judgments, fines, penalties, amounts paid in settlement, and reasonable legal fees and disbursements) incurred in connection with or arising out of any action, suit or proceeding to which any such Indemnified Party may be made a party by reason of being or having been a Trustee, a Manager or a Beneficiary (as the case may be). An Indemnified Party shall not be entitled to satisfaction of any right of indemnity or reimbursement granted herein, or otherwise existing at law, except out of the Trust Property, and no Beneficiary or Trustee or former Trustee shall be personally liable to any Indemnified Party with respect to any claim for such indemnity or reimbursement.
- (b) For purposes of this Article 12, (i) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other, or other claim; (ii) the rights of indemnification conferred hereby shall extend to any threatened action, suit or proceeding; and (iii) advances in respect of the right to indemnification may be made by the Trustee, in its discretion, against costs, expenses and fees incurred in respect of the matter or matters as to which indemnification is claimed.
- (c) The foregoing right of indemnification shall not be exclusive of any other rights to which the Indemnified Party may be entitled as a matter of law or which may be lawfully granted to such person and the provisions of this Section 12.6 are severable, and if any provisions hereof shall for any reason be determined invalid or ineffective, the remaining provisions of this Indenture relating to indemnification and reimbursement shall not be affected thereby. This indemnity and all other indemnities and limitations of liability set forth herein, shall survive the resignation or replacement of the Trustee and/or the Manager, as applicable.

12.7 Further Limitation on Indemnification

Notwithstanding any other provisions of this Indenture, the Trust shall have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

12.8 Extended Meanings

For the purposes of Sections 12.2 to 12.6 (inclusive) references to the Trustee and the Manager shall be deemed to include their respective directors, officers, agents and employees; provided, for greater

certainty, that for purposes of these provisions, neither the Manager nor any sub-delegate thereof shall be considered an agent of the Trustee.

12.9 Exculpatory Clauses in Instruments

Any written instrument creating an obligation with respect to the Trust will be conclusively taken to have been executed or done by the Trustee of Manager only in the capacity of Trustee or Manager, respectively, under this Trust Indenture. Any written instrument creating an obligation of the Trust will contain a disavowal of liability upon and waiver of claim against the Trustee, the Manager or any Beneficiary and indicate that the obligations under such instrument are not personally binding upon, nor will resort be had to the private property of the Trustee, the Manager, any Beneficiary, or any director, officer, employee or agent of the Trustee, the Manager or Beneficiary, but only the Trust Property or a specific portion thereof will be bound. In respect of any obligations or liabilities being incurred by the Trust or the Trustee or the Manager on behalf of the Trust, the Trustee or the Manager, as applicable, shall make all reasonable efforts to include as a specific term of such obligations or liabilities a contractual provision substantially to the following effect:

The parties hereto acknowledge that [the Trustee] [the Manager] is entering into this agreement solely [in its capacity as Trustee/Manager] on behalf of the Trust and the obligations of the Trust hereunder shall not be personally binding upon [the Trustee] [the Manager] or any of the unitholders of the Trust or any annuitant, subscriber or beneficiary under a plan of which a unitholder is a trustee or carrier (an "annuitant") and that any recourse against the Trust, [the Trustee] [the Manager] or any unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property as defined in the Trust Indenture of the Trust dated as of January 24, 2018 as from time to time amended, restated or modified.

The omission of a provision of the nature described above from any such document or instrument shall not render the Trustee, the Manager or a Beneficiary liable to any person, nor shall the Trustee, the Manager or any Beneficiary be liable for such omission. If, notwithstanding this provision, the Trustee, the Manager or any Beneficiary shall be held liable to any person by reason of the omission of such statement from any such agreement, undertaking or obligation such Trustee, Manager or Beneficiary shall be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability.

12.10 Execution of Instruments and Apparent Authority

Any instrument executed in the name of the Trust, or by the Trustee as trustee of the Trust, or on behalf of the Trust by the Manager, shall constitute and shall be deemed to constitute a valid obligation of the Trust enforceable in accordance with its terms as if executed by the Trustee.

12.11 Interests of Consultants and Agents

Subject to any agreement to the contrary between the Trust and any consultant or agent of the Trust, a consultant or agent of the Trust may, while so engaged and so long as it complies with this Indenture and any other applicable agreements:

- (a) acquire, hold and dispose of any property, real or personal, for its account even if such property is of a character which could be held by the Trust, and may exercise all rights of an owner of such property as if it were not a consultant or agent, as the case may be;

- (b) have business interests of any nature and may continue such business interests for its own account including the rendering of professional or other services and advice to other persons for gain; and
- (c) acquire, hold and sell Trust Units in its own capacity or as an Affiliate of or fiduciary for any other person, or as an Affiliate of any person who acquires, holds or sells Trust Units, and may exercise all rights of a holder thereof as if it were not a consultant or agent of the Trust, provided that it may not make use of any specific confidential information for its own benefit or advantage that, if generally known, might reasonably be expected to significantly affect the value of any of the Trust Units;

and such activities shall be deemed not to conflict with its duties as a consultant or agent of or to the Trust. Except as otherwise specifically agreed with the Trust, no consultant or agent of the Trust shall have any duty to present to the Trust any investment opportunity which it may receive in any capacity other than as consultant or agent of the Trust, and its failure to present to the Trust any such investment opportunity shall not make such consultant or agent liable in law or in equity, to pay, or account to the Trust, or to any Unitholder whether acting individually or on behalf of himself and other Unitholders as a class, for any benefit, profit or advantage derived therefrom.

ARTICLE 13 DELEGATION OF POWERS AND MANAGEMENT OF THE TRUST

13.1 Delegation

- (a) Except as expressly prohibited by Applicable Law, the Trustee may grant or delegate to any person such authority and such powers of the Trustee hereunder as the Trustee may in its sole discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under this Trust Indenture, without regard to whether such authority is normally granted or delegated by trustees.
- (b) The Trustee is hereby authorized, pursuant to the terms of the Management Agreement, to appoint the Manager to act for and on behalf of the Trust in accordance with those powers and authorities granted to the Manager under the terms of such agreement, and the Trustee may delegate to such person (and in addition to those matters, if any, specifically granted or delegated to the Manager in this Indenture) any of those duties of the Trustee hereunder that the Trustee deems appropriate. Without limiting the generality of the foregoing, the Trustee may grant broad discretion to the Manager to administer and manage the day-to-day operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust. The Manager shall have the powers and duties as may be expressly provided for herein and in the Management Agreement and may be given, without limitation, the power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations which it is not best suited to perform.
- (c) The Trustee is hereby authorized to enter into the Management Agreement.

13.2 Specific Present Delegation of Power and Authority to Manager

The Trustee hereby delegates to the Manager full and absolute right, power and authority to undertake, perform and provide, for and on behalf of the Trust, all acts, duties and responsibilities as the

Manager considers, in its sole discretion, necessary or desirable in connection with all matters required for and in connection with completion of a closing of an Offering, including:

- (a) approving, accepting, executing and delivering, on behalf of the Trust, any offering document and any amendments to an offering document in such form as the Manager considers necessary or desirable;
- (b) approving, executing and delivering on behalf of the Trust (i) all subscription agreements in connection with subscriptions for Trust Units or other Trust Securities, and (ii) all instruments, contracts and other documents determined by the Manager to be necessary or desirable for execution by the Trust between the date hereof and the date of closing of an Offering, in each case in such form and containing such terms and conditions as the Manager may approve; and
- (c) approving, executing and delivering all applications and filings with any Governing Authorities, and taking such other actions as the Manager considers appropriate.

13.3 Standard of Care

In carrying out the Indenture Conferred Duties, the Manager shall discharge such duties honestly, in good faith and with a view to the best interests of the Trust and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent manager of an income Trust in Canada, having responsibilities of a similar nature, would exercise in comparable circumstances.

13.4 Grant of Power and Authority

The Manager is hereby granted and, where applicable, delegated full and absolute right, power and authority to undertake, perform and provide, for and on behalf of the Trust, all of the Indenture Conferred Duties and to take and do, for and on behalf of the Trust, in connection with the provision of all such Indenture Conferred Duties, all such actions and all such things which the Manager deems appropriate, in its sole discretion, including the right, power and authority to retain and instruct such appropriate experts or advisors to perform those duties and obligations granted to the Manager which it is not qualified to perform, to execute and deliver contracts, leases, licenses, and other documents, instruments and agreements, to make all applications and filings with Governmental Authorities, and to take such other actions as the Manager considers appropriate, in the name of and on behalf of the Trust.

The Manager may execute, for and on behalf of the Trust, as its agent or attorney in fact, any instrument or document which the Manager considers appropriate, in its sole discretion, in connection the provision of the Indenture Conferred Duties.

13.5 Election of Successor Manager

In the event the Manager is unable or unwilling to perform its obligations under the Management Agreement, or there is no longer a Manager, the Unitholders shall have the right to elect a successor Manager by an Ordinary Resolution at a meeting of Unitholders duly called for that purpose who shall become a party hereto in the place and stead of the Manager.

13.6 Determinations of the Manager Binding

All determinations of the Manager which are made in good faith with respect to any Indenture Conferred Duties relating to the Trust shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a registered retirement savings plan, registered retirement income trust, registered education savings plan, deferred profit sharing plan or registered

pension trust or plan (all as defined in the Income Tax Act), or such other trust or plan registered under the Income Tax Act, upon past, present or future trust or plan beneficiaries and trust or plan holders), and Trust Units shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

13.7 Performance of Obligations

In the event that the Manager is unable or unwilling to perform its obligations under the Management Agreement, or there is no Manager, the Trustee shall be entitled to engage another person that is duly qualified to perform such obligations until such time as a new Manager is elected by Unitholders pursuant to Section 13.5.

13.8 Services Not Exclusive

The Trustee acknowledges that the services of the officers and directors of the Manager may not be exclusive to the Manager or the Trust, and nothing in this Indenture or the Management Agreement shall prevent the officers and directors of the Manager from engaging in other activities apart from those services being provided thereby to the Manager or the Trust (whether or not those other activities are the same or similar to the activities being carried out on behalf of the Manager or the Trust).

13.9 No Partnership or Joint Venture

Neither the Trust, Trustee nor Unitholders are and they shall be deemed not to be partners or joint venturers with the Manager and nothing herein shall be construed so as to impose any liability as such on the Manager. The parties agree that the Manager shall perform the Indenture Conferred Duties which are an original allocation of responsibility and not a delegation, as an independent contractor for and on behalf of the Trust (with its duties and obligations in respect thereto as expressly provided for herein and in the Management Agreement),

13.10 Acknowledgement and Consent of Conflict of Interest

The Unitholders acknowledge that subject to the Manager's general obligations under this Indenture:

- (a) the Manager and its Affiliates and their respective directors, officers and shareholders, if applicable, may act as the investment adviser or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Trust Property and may use the same or different information and trading strategies obtained, produced or utilized in managing the Trust Property and Affiliates of the Manager and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership;
- (b) the Manager and its Affiliates and their respective directors, officers and shareholders, if applicable, may be and are permitted to be engaged in and continue in other businesses in which the Trust may or may not have an interest and which may be competitive with the activities of the Trust and, without limitation, the Manager, and any director, officer or shareholder of the Manager and their respective Associates and Affiliates may be and are permitted to act as a partner, shareholder, officer, director, joint venturer, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Trust and may be in competition with the Trust; and

- (c) Trust activities may lead to the incidental result of providing additional information with respect to, or augmenting the value of, assets or properties in which the Manager or other parties not at arm's length with the Manager have or subsequently acquire either a direct or indirect interest.

Subject to the Manager's general obligations hereunder, the Unitholders agree that the activities and facts as set forth in this Section 13.10 shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders, the Unitholders hereby consent to such activities and the Unitholders waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. The Unitholders further agree that neither the Manager nor any other party referred to in this Section 13.10 will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from such similar or competing activity or any transactions relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Manager hereunder unless such activity is contrary to the express terms of this Indenture.

ARTICLE 14 SUPPLEMENTAL INDENTURES

14.1 Provision for Supplemental Indentures

The Trustee may, subject to the provisions hereof, and it shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) modifying or amending any provisions of this Trust Indenture in the circumstances set forth in Article 9 where the Trustee may do so without the consent, approval or ratification of the Unitholders or any other person; and
- (b) modifying or amending any provisions of this Trust Indenture where the modification or amendment has been consented to, approved or ratified by some or all of the Unitholders (as the case may be) to the extent required in accordance with the provisions of this Trust Indenture;

provided that the Trustee may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative.

ARTICLE 15 NOTICES

15.1 Notices to Unitholders

- (a) Any notice, communication or other document required to be given or sent to Unitholders under this Trust Indenture or by Applicable Law, shall be given or sent by personal service or through ordinary post addressed to each registered holder at his or her last address appearing on the Registers or in any other manner from time to time permitted by Applicable Law (including Canadian securities legislation), including, without limitation, internet based or other electronic communications; provided that if any such notice or communication shall have been mailed and either prior to or subsequent to such mailing (but prior to delivery of such notice or communication) regular mail service shall have been interrupted by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of

normal mail service; provided further that during the period that regular mail service shall be interrupted, notice may be given by personal service, or by internet based or other electronic communication (provided done so in accordance with all requirements of Applicable Law, including Canadian securities law), or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then such notice may be given by publishing twice in the business section of a newspaper in each city where the Register(s) or a branch register is maintained.

- (b) Any notice given in the manner provided in Section 15.1(a) shall be deemed to have been given and delivered (i) in the case of notice given by mail, on the day following that on which the letter or other document was mailed, or (ii) in the case of notice given by publication, after publication of such notice twice in the designated newspaper or newspapers, or (iii) in the case of notice given by internet based or other electronic communication, on the later of (A) the Business Day on which such notice is given and (B) the earliest day and at the earliest time (as applicable) as is permissible in accordance with the law permitting the giving of notice via such internet based or other electronic communication. In proving notice was mailed, it shall be sufficient to prove that such letter or other document was properly addressed, stamped and mailed.

15.2 Notice to the Trustee:

Any notice or other document or written communication to be given to the Trustee shall be addressed to the Trustee and sent to:

Gravitas Special Situations Fund
 333 Bay Street, Suite 1700
 Toronto, Ontario M5H 2R2
 Fax: 416-367-0997
 Attention: Chris Guthrie, Trustee

and shall be deemed to have been given on the date of delivery or, if mailed, five (5) days from the date of mailing or, if sent by facsimile or electronic transmission, shall be deemed to have been given on the first Business Day thereafter. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be delivered or given by personal delivery, telegram, telex, facsimile transmission or other means of prepaid, transmitted or recorded communication.

15.3 Failure to Give Notice

The failure by the Trustee, by accident or omission or otherwise unintentionally, to give any Unitholder any notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such notice, and the Trustee shall not be liable to any Unitholder for any such failure.

15.4 Joint Holders

Service of a notice or document on any one of several joint holders of Trust Units shall be deemed effective service on the other joint holders.

15.5 Service of Notice

Any notice or document delivered to a Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustee has notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Trust Units concerned.

ARTICLE 16 RECORDS AND FINANCIAL INFORMATION

16.1 Trust Records

The Trustee shall prepare and maintain or cause to be prepared and maintained records containing (a) this Trust Indenture; (b) minutes of meetings and resolutions of Unitholders, as provided by the Manager, where applicable; and (c) the Registers. The Trust shall also prepare and maintain adequate accounting records. All such records shall be kept at the head office of the Trust or at such other place as the Trustee thinks fit.

16.2 Information Available to Unitholders

Each Unitholder has the right to obtain, on demand and without fee, from the head office of the Trust (i) a copy of this Trust Indenture and any amendments thereto, and (ii) the minutes of the Meetings of Unitholders and any written resolutions of Unitholders passed in lieu of holding a Meeting of Unitholders, and will also be entitled to examine a list of the Unitholders, all to the same extent and upon the same conditions, *mutatis mutandis*, as those which apply to shareholders governed by the *Business Corporations Act* (Alberta).

16.3 Financial Disclosure

The Trust will send to Unitholders (or make available if sending is not required by Applicable Law) within 120 days after the end of each fiscal year (or within such shorter time as may be required by Applicable Law), the financial statements of the Trust for that fiscal year, together with comparative financial statements for the preceding fiscal year, if any, and the report of the accountant thereon.

16.4 Taxation Information

On or before March 31 in each year, or such other date as may be required under Applicable Law, the Trust shall provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year.

16.5 Income Tax: Obligations of the Trustee

The Trustee shall satisfy, perform and discharge all obligations and responsibilities of the Trustee under the Income Tax Act and neither the Trust nor the Trustee shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustee consistent, or carried out in intended compliance, with any such obligations or responsibilities.

ARTICLE 17 AUDITOR

17.1 Qualification of Auditor

If appointed, the Auditor shall be a recognized firm of chartered professional accountants which has an office in Canada and which is independent of the Trust, the Trustee and the Manager.

17.2 Appointment of Auditor

The Trustee may appoint an Auditor of the Trust as the initial auditor of the Trust to hold such office until the first Meeting of Unitholders or otherwise as determined by the Trustee. The Auditor may be elected at each succeeding Meeting of Unitholders. The Auditor will receive such remuneration as may be approved by the Trustee.

17.3 Change of Auditor

If appointed, the Auditor may at any time be removed by the Trustee with the approval of Unitholders by way of Ordinary Resolution at a Meeting of Unitholders duly called for the purpose and, upon such removal of the Auditor as aforesaid, new auditor may be appointed by the Trustee with the approval of the Unitholders by means of an Ordinary Resolution at a meeting duly called for the purpose. A vacancy created by the removal of the Auditor as aforesaid may be filled at the Meeting of Unitholders at which the Auditor is removed or, if not so filled, may be filled under Section 17.4 below.

17.4 Filling Vacancy

The Auditor may at any time voluntarily resign, and in such event the Trustee or the Manager may fill the vacancy with a new auditor as is approved by the Trustee or the Manager, and such new auditor shall act as auditor of the Trust for the unexpired term of the predecessor auditor of the Trust.

17.5 Reports of Auditor

If appointed, the Auditor shall audit the accounts of the Trust at least once in each year and a report of the Auditor with respect to the annual financial statements of the Trust shall be provided to each Unitholder as set out in Section 16.4.

ARTICLE 18 GENERAL

18.1 Trust Property to be Kept Separate

The Trustee shall maintain the Trust Property separate from all other property in its possession and not commingled, and to the extent that all or part of the Trust Property is placed by the Trustee in the possession of any other person on behalf of the Trust, the Trustee shall take such reasonable steps to ensure that such persons shall also keep such Trust Property separate from all other property of such persons and not commingled. For greater certainty, the Trustee shall not be required to monitor Trust Property placed in the possession of the Manager in accordance herewith.

18.2 Trustee May Hold Trust Units

The Trustee and any Affiliates of the Trustee may be Unitholders.

18.3 Execution and Effect of Restated Trust Indenture

A restated Trust Indenture, setting forth the terms of this Trust Indenture, as amended to the time of execution, may be executed at any time or from time to time by the Trustee and such restated Trust Indenture as so executed shall thereafter be effective and may thereafter be referred to *in lieu* of the original Trust Indenture as so amended; provided, however, that no such execution of a restated Trust Indenture shall be deemed to constitute a termination of the Trust or this Trust Indenture.

18.4 Consolidations

The Trustee may prepare consolidated copies of the Trust Indenture as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Trust Indenture, as amended or amended and restated.

18.5 Severability

The provisions of this Trust Indenture are severable and if any provisions are in conflict with any Applicable Law, the conflicting provisions shall be deemed never to have constituted a part of this Trust Indenture and shall not affect or impair any of the remaining provisions thereof. If any provision of this Trust Indenture shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Trust Indenture in any jurisdiction.

18.6 Successors and Assigns

The provisions of this Trust Indenture shall enure to the benefit of, and be binding upon, the parties and their respective successors and assigns.

18.7 Counterparts

This Trust Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

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IN WITNESS WHEREOF this Trust Indenture is executed effective the 24th day of January, 2018.

"Lynne Foran"
Witness

"Chris Guthrie"
CHRIS GUTHRIE (Trustee)

"Chris Croteau"
Witness

"Jeffrey Helper"
JEFFREY HELPER (Settlor)

**SCHEDULE "B" TO THE
OFFERING MEMORANDUM OF
GRAVITAS SPECIAL SITUATIONS FUND**

Trust Units Subscription Agreement

SUBSCRIPTION FOR TRUST UNITS

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent")

Dealer: _____
Rep: _____
Code: _____
FundSERV: _____

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Class A Trust Units, Class F Trust Units and Class O Trust Units (collectively, the "Trust Units") of the Trust set forth below for the aggregate subscription price ("Aggregate Subscription Amount") set forth below, representing a subscription price of \$10.00 per Trust Unit, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Trust Units of Gravitas Special Situations Fund" attached hereto (together with this page and attached Schedules, the "Subscription Agreement"). **In addition to this face page, the Subscriber must also complete all applicable Schedules and Exhibits attached hereto.**

Full Legal Name of Subscriber (please print)

By: _____
Signature of Subscriber or its Authorized Representative

Official Title or Capacity (please print)

Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

Subscriber's Address (including postal code)

Telephone Number (including area code)

E-mail Address

Aggregate Subscription Amount: \$ _____

Number of Class A Trust Units: _____
Number of Class F Trust Units: _____
Number of Class O Trust Units: _____

Disclosed Beneficial Purchaser Information:

If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to applicable securities legislation, complete the following and ensure that the Schedules and Exhibits, as applicable, are completed in respect of such principal:

(Name of Principal)

(Principal's address)

(Telephone Number) (E-mail Address)

Register the Trust Units (if different from address given above) as follows:

Name

Account reference, if applicable

Address (including postal code)

Deliver the Trust Units (if different from address given above) as follows:

Name

Account reference, if applicable

Contact Name

Address (including postal code)

Telephone Number (including area code)

ACCEPTANCE: The Trust hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement and the Trust represents and warrants to the Subscriber that the representations and warranties made by the Trust to the Agent in the Agency Agreement (as defined herein) are true and correct in all material respects as of the Closing Date (as defined herein) (save and except as waived in whole or in part by the Agent) and that the Subscriber is entitled to rely thereon.

GRAVITAS SPECIAL SITUATIONS FUND, by its Trustee, Chris Guthrie _____, 201__

Per: _____

No.: _____

PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:

1. a signed copy of this Subscription Agreement;
2. a certified cheque, bank draft or wire transfer in an amount equal to the Aggregate Subscription Amount in immediately payable funds, payable to " **Gravitas Special Situations Fund**" or to "**Gravitas Securities Inc., in Trust**";
3. **if the Subscriber is an "accredited investor" and resident in British Columbia, Alberta, Saskatchewan, Manitoba or Ontario**, one (1) copy of the Representation Letter in the form attached to this Subscription Agreement as Schedule "A" (including a duly completed and initialed copy of Exhibit A to Schedule "A") and, **if you are an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of National Instrument 45-106 entitled *Prospectus Exemptions* ("NI 45-106") (which definition is reproduced in Exhibit A to Schedule "A")**, a duly completed and signed copy of Exhibit B to Schedule "A");
4. **if the Subscriber is purchasing the Trust Units in reliance on the "offering memorandum exemption" and is resident in British Columbia**, two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B";
5. **if the Subscriber is purchasing the Trust Units in reliance on the "offering memorandum exemption" and is resident in Alberta, Saskatchewan or Ontario:**
 - (i) two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B";
 - (ii) **if the Subscriber is an "eligible investor" as such term is defined in NI 45-106**, one (1) copy of the Certificate of Eligible Investor in the form attached to this Subscription Agreement as Schedule "C";
 - (iii) one (1) copy of each of Exhibit 1 and Exhibit 2 to Schedule "D" attached to this Subscription Agreement and meet the investment limits specified therein (the investment limits do not apply if you are not an individual or you are an "accredited investor");
 - (iv) **if the Subscriber is relying on advice from a portfolio manager, investment dealer or exempt market dealer (each a "registrant") to increase its 12-month investment limit to \$100,000**, then the dealing representative or advising representative of such registrant who provided such advice must complete Section 2 of Exhibit 2 to Schedule "D" and the person meeting with or providing information to you must complete Schedule "E";
6. **if the Subscriber is purchasing the Trust Units in reliance on the "offering memorandum exemption" and is resident in Manitoba**, two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B" **and, if the acquisition cost to the Subscriber exceeds \$10,000**, one (1) copy of the Certificate of Eligible Investor in the form attached to this Subscription Agreement as Schedule "C";
7. **if the Subscriber is not a resident of Canada or the United States**, one (1) copy of each of the Representation Letters in the forms attached to this Subscription Agreement as Schedule "A" and Schedule "F";
8. a signed copy of the power of attorney attached to this Subscription Agreement as Schedule "G"; and
9. a signed copy of the conflict acknowledgement attached to this Subscription Agreement as Schedule "H".

PLEASE DELIVER THE AFOREMENTIONED DOCUMENTS AND PAYMENT TO:

Gravitas Investments,
a Division of Gravitas Securities Inc.
333 Bay Street, Suite 1700
Toronto, Ontario, M5H 2R2

Attention: Chris Guthrie, Head of Business Development
Email: info@gravitasinvestments.com

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
TRUST UNITS OF GRAVITAS SPECIAL SITUATIONS FUND**

1. **Definitions.** In this Subscription Agreement:
 - (a) "Agency Agreement" shall have the meaning ascribed thereto in Section 12 hereof;
 - (b) "Agent" means Gravitas Securities Inc.;
 - (c) "Aggregate Subscription Amount" has the meaning set forth on the face page hereof;
 - (d) "Closing Date" means the date of closing of this Offering, being such date or date(s) as the Trustee and the Agent may agree upon;
 - (e) "NI 45-106" means National Instrument 45-106 entitled *Prospectus Exemptions*;
 - (f) "Offering" shall have the meaning ascribed thereto in paragraph 2(b) hereof;
 - (g) "Offering Memorandum" means the offering memorandum of the Trust dated February 20, 2018;
 - (h) "Trust" means Gravitas Special Situations Fund;
 - (i) "Trust Units" means Trust Units of the Trust; and
 - (j) "Trustee" means Chris Guthrie, an individual resident in Toronto, Ontario.

2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:
 - (a) this subscription is subject to rejection or acceptance by the Trustee, and is effective only upon acceptance by the Trustee;
 - (b) the Trust Units subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Trust of Trust Units, all pursuant to the Offering Memorandum (the "Offering");
 - (c) the Agent has been appointed as agent pursuant to the Agency Agreement to offer the Trust Units on a "commercially reasonable efforts" basis. The Trust has agreed to pay trailer fees to registered dealers monthly based on the subscription proceeds attributable to the Class A Trust Units held in each registered dealer's client accounts in an amount equal to 1% per annum. For clarity, no commissions or trailer fees are paid in respect of the Class F Trust Units or the Class O Units. The Trust will also reimburse the Agent for its reasonable expenses incurred pursuant to the Offering (including reasonable legal fees);
 - (d) there is no minimum offering and therefore the Subscriber may be the only purchaser under the Offering;
 - (e) **the Subscriber is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement; and**
 - (f) **there are risks associated with an investment in the Trust Units including, without limitation, those risks set out in this Subscription Agreement and the Offering Memorandum and, as a result, the Subscriber may lose its entire investment.**

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Trust, the Agent and their respective counsel (and acknowledges that the Trust, the Trustee, the Agent and their respective counsel are relying thereon), as at the date hereof and the Closing Date, that:
 - (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;
 - (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver and be bound by this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber

- hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;
- (c) if the Subscriber is a body corporate, partnership, unincorporated association or other entity, the Subscriber has been duly incorporated or created and is validly subsisting under the laws of its jurisdiction of incorporation or creation;
 - (d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;
 - (e) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement or covenant to which the Subscriber is a party or by which it is bound;
 - (f) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each beneficial purchaser for whom the Subscriber is acting):
 - (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Trust Units;
 - (ii) is capable of assessing the proposed investment in the Trust Units as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation;
 - (iii) is aware of the characteristics of the Trust Units and the risks relating to an investment therein; and
 - (iv) is able to bear the economic risk of loss of its investment in the Trust Units;
 - (g) the Subscriber acknowledges that no prospectus has been filed by the Trust with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Trust Units, and the issuance of the Trust Units is exempted from the prospectus requirements available under the provisions of applicable securities laws, and as a result:
 - (i) the Subscriber is restricted from using some of the civil remedies otherwise available under applicable securities laws;
 - (ii) the Subscriber will not receive information that would otherwise be required to be provided to it under applicable securities laws; and
 - (iii) the Trust is relieved from certain obligations that would otherwise apply under applicable securities laws;
 - (h) other than the Offering Memorandum, the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Trust, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Trust Units pursuant to the Offering;
 - (i) the Subscriber confirms that neither the Trust, the Trustee, the Agent nor any of their representative directors, employees, officers, agents, representatives or affiliates, have made any representations (written or oral) to the Subscriber:
 - (i) regarding the future value of the Trust Units;
 - (ii) that any person will resell or repurchase the Trust Units;
 - (iii) that any of the Trust Units will be listed on any stock exchange or traded on any market; or
 - (iv) that any person will refund the purchase price of the Trust Units other than as provided in this Subscription Agreement;

- (j) the Subscriber confirms that it has been advised to consult its own legal and financial advisors in its own jurisdiction of residence with respect to the suitability of the Trust Units as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Trust Units, and the resale restrictions and "hold periods" to which the Trust Units are or may be subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Trust, the Trustee or the Agent with respect to such suitability, tax consequences, and resale restrictions;
- (k) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Trust Units, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
- (l) the Subscriber acknowledges that it and/or the Trust, the Trustee or the Agent may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Trust Units and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Trust Units as agent for an undisclosed principal, the Subscriber will provide to the Trust, the Trustee and the Agent, on request, particulars as to the identity of such undisclosed principal as may be required by the Trust, the Trustee or the Agent in order to comply with the foregoing;
- (m) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Trust, the Trustee or the Agent, other than pursuant to the Offering Memorandum delivered to the Subscriber and except as expressly set forth herein;
- (n) unless the Subscriber satisfies Section 3(o) or Section 3(p) below, the Subscriber satisfies one of subsections (i), (ii), (iii) or (v) below:
 - (i) **if the Subscriber is resident in or otherwise subject to the applicable securities laws of British Columbia, Alberta, Saskatchewan, Manitoba or Ontario**, the Subscriber is purchasing the Trust Units as principal (or is deemed to be purchasing as principal) for its own account, not for the benefit of any other person, the Subscriber is an "accredited investor" as defined in National Instrument 45-106 entitled *Prospectus Exemptions* ("NI 45-106") (or, if applicable for Subscribers in Ontario, the corresponding categories for the definition of an "accredited investor" as defined in Section 73.3 of the *Securities Act* (Ontario)), which definitions are reproduced in Exhibit A to Schedule "A" attached hereto, the Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" hereto, the Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada **and the Subscriber has executed and delivered to the Trust and the Trustee a Representation Letter in the form attached hereto as Schedule "A" indicating that the Subscriber fits within one of the categories of "accredited investor" set forth in such definitions (including a duly completed and initialed copy of Exhibit A to Schedule "A") and, if the Subscriber is an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106, a duly completed and signed copy of Exhibit B to Schedule "A"; OR**
 - (ii) **if the Subscriber is relying on the offering memorandum exemption found in Section 2.9 of NI 45-106 and is resident in or otherwise subject to the applicable securities laws of British Columbia**, it is purchasing the Trust Units as principal (or is deemed to be purchasing as principal) for its own account and not for the benefit of any other person and it has received or been provided with a copy of the Offering Memorandum **and the Subscriber has executed and delivered to the Trust and the Trustee two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B", retaining one (1) copy of such Risk Acknowledgement for its records;**

(iii) **if the Subscriber is relying on the offering memorandum exemption found in Section 2.9 of NI 45-106 and is resident in or otherwise subject to the applicable securities laws of Alberta, Saskatchewan or Ontario:**

- (A) it is purchasing the Trust Units as principal (or is deemed to be purchasing as principal) for its own account and not for the benefit of any other person;
- (B) it was not created or used solely to purchase or hold securities in reliance on this Section 3(n)(iii);
- (C) the acquisition cost of all securities acquired by the Subscriber who is an individual in the preceding 12 months does not exceed: (i) in the case of a Subscriber that is not an eligible investor, \$10,000; (ii) in the case of a Subscriber that is an eligible investor, \$30,000; (iii) in the case of a Subscriber that is an eligible investor and that has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000; and
- (D) at the same time or before the Subscriber signs this Subscription Agreement, it has received or been provided with a copy of the Offering Memorandum,

and the Subscriber has executed and delivered to the Trust and the Trustee:

- (E) **two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B", retaining one (1) copy of such Risk Acknowledgement for its records;**
- (F) **if the Subscriber is an "eligible investor" as such term is defined in NI 45-106, one (1) copy of the Certificate of Eligible Investor in the form attached to this Subscription Agreement as Schedule "C";**
- (G) **one (1) copy of each of Exhibit 1 and Exhibit 2 to Schedule "D" attached to this Subscription Agreement and meets the investment limits specified therein (the investment limits do not apply if the Subscriber is not an individual or it is an "accredited investor" as defined in NI 45-106);**
- (H) **if the Subscriber is relying on advice from a portfolio manager, investment dealer or exempt market dealer (each a "registrant") to increase its 12-month investment limit to \$100,000, then the dealing representative or advising representative of such registrant who provided such advice must complete Section 2 of Exhibit 2 to Schedule "D" and the person meeting with or providing information to the Subscriber must complete Schedule "E";**

OR

(iv) **if the Subscriber is relying on the offering memorandum exemption found in Section 2.9 of NI 45-106 and is resident in or otherwise subject to the applicable securities laws of Manitoba:**

- (A) it is purchasing the Trust Units as principal (or is deemed to be purchasing as principal) for its own account and not for the benefit of any other person;
- (B) it is an eligible investor (in which case, it was not created or used solely to purchase or hold securities as an eligible investor as defined in paragraph (a) of the definition of "eligible investor" in NI 45-106) or the acquisition cost of the Trust Units does not exceed \$10,000; and
- (C) at the same time or before the Subscriber signs this Subscription Agreement, it has received or been provided with a copy of the Offering Memorandum,

and the Subscriber has executed and delivered to the Trust and the Trustee two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B", retaining one (1) copy of such Risk Acknowledgement for its records and, if the acquisition cost to the Subscriber exceeds \$10,000, one (1) copy of the Certificate of Eligible Investor in the form attached to this Subscription Agreement as Schedule "C"; OR

- (o) **if the Subscriber is not purchasing the Trust Units as principal pursuant to section 3(n)**, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Trust Units, it acknowledges that the Trust and the Trustee may be required by law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Trust Units for whom it may be acting, it is resident in the jurisdiction set out as the "Subscriber's Residential Address" and each beneficial purchaser is resident in the jurisdiction set out as the "Disclosed Beneficial Purchaser Information" and the purchase by and sale of the Trust Units, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction(s), and:
- (i) it is acting as agent for a disclosed beneficial purchaser, who is disclosed on the face page of this Subscription Agreement, who is resident in the jurisdiction set out as the "Disclosed Beneficial Purchaser's Residential Address" and who complies with section 3(n)(i) hereof as if all references therein were to the disclosed beneficial purchaser rather than to the Subscriber **and the Subscriber has concurrently executed and delivered to the Trust and the Trustee a Representation Letter in the form attached hereto as Schedule "A" on behalf of such disclosed beneficial purchaser indicating that the disclosed beneficial purchaser fits within one of the categories of "accredited investor" set forth in such definitions (including a duly completed and initialed copy of Exhibit A to Schedule "A") and, if the disclosed beneficial purchaser is an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106, a duly completed and signed copy of Exhibit B to Schedule "A"; or**
- (ii) it is deemed to be purchasing as principal under NI 45-106 because it is an "accredited investor" as such term is defined in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" attached hereto (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) **and has concurrently executed and delivered a Representation Letter in the form attached hereto as Schedule "A" indicating that the Subscriber satisfies one of the categories of "accredited investor" set out in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 and reproduced in Exhibit A to Schedule "A" hereto and, if the Subscriber is an individual described in paragraphs (j), (k), or (l) of the definition of "accredited investor" in Section 1.1 of NI 45-106, a duly completed and signed copy of Exhibit B to Schedule "A";**
- (p) **if the Subscriber is not purchasing the Trust Units pursuant to section 3(n) or 3(o), the Subscriber and each person on whose behalf the Subscriber is contracting is a resident of a jurisdiction outside of both Canada and the United States, it has concurrently executed and delivered the Representation Letters in the form attached to this Subscription Agreement as Schedule A" and Schedule "F" and will provide such evidence of compliance with all matters described in such Representation Letters as the Trust, the Trustee, the Agent or their respective counsel may request including that: (a) the purchase of the Trust Units does not contravene any of the applicable securities laws in the Subscriber's jurisdiction of residence and does not trigger (i) any obligation to prepare and file a prospectus, an offering memorandum or similar document, or any other ongoing reporting requirements with respect to such purchase or otherwise, or (ii) any registration or other obligation on the part of the Trust; and (b) the sale of the Trust Units as contemplated in this Subscription Agreement would, if completed, be made pursuant to an exemption from the prospectus and registration requirements (or similar requirements) under the applicable securities legislation of the Subscriber's jurisdiction of residence;**
- (q) it has been independently advised as to restrictions with respect to trading in the Trust Units imposed by applicable securities legislation in the jurisdiction in which it resides or is located, confirms that no representation (written or oral) has been made to it by or on behalf of the Trust, the Trustee or the Agent with respect thereto;

- (r) the Subscriber understands that it may not be able to resell the Trust Units except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules, and that the Subscriber is solely responsible for (and neither the Trust, the Trustee nor the Agent is in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
- (s) **the Subscriber acknowledges that it is aware that there is no market upon which any of the Trust Units trade and that none may develop and there is no assurance that any of the Trust Units will be listed and posted for trading on a stock exchange or dealer network in the future;**
- (t) **the Subscriber acknowledges that it is aware that the Trust is not a "reporting issuer" or the equivalent in any jurisdiction of Canada and therefore, the Trust Units will be subject to a hold period which may be of indefinite duration;**
- (u) the Subscriber understands that any certificates representing the Trust Units will bear a legend in accordance with applicable securities legislation indicating that the resale of such securities is restricted and the Subscriber will not sell any of the Trust Units except in accordance with applicable securities legislation;
- (v) the Subscriber has not become aware of any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement (including electronic display or the Internet) or sales literature with respect to the distribution of the Trust Units;
- (w) the Subscriber acknowledges that the Agent has not engaged in or conducted an independent investigation on behalf of the Subscriber with respect to the Trust or the transactions contemplated by this Subscription Agreement to the same extent or level that the Agent would for a prospectus offering, and that the Agent and its representatives are not liable for any information given or statement made to the Subscriber by the Trust or the Trustee in connection with the Trust or the transactions contemplated by this Subscription Agreement, and the Subscriber hereby releases the Agent and its representatives from any claim that may arise in respect of this Subscription Agreement or the transaction contemplated hereby;
- (x) except for the representations and warranties made by the Trust and the Trustee to the Agent pursuant to the Agency Agreement, the Subscriber has relied solely upon publicly available information relating to the Trust and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Trust, the Trustee or the Agent, such publicly available information having been delivered to the Subscriber without independent investigation or verification by the Agent, and agrees that the Agent assumes no responsibility or liability of any nature whatsoever for the accuracy, adequacy or completeness of publicly available information and acknowledges that Trust's counsel and the Agent's counsel are acting as counsel to the Trust and the Agent, respectively, and not as counsel to the Subscriber;
- (y) the Subscriber is aware that the Trust Units have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"), or the securities laws of any state and that the Trust Units may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and it acknowledges that the Trust and the Trustee have no present intention of filing a registration statement under the U.S. Securities Act in respect of the Trust Units;
- (z) the Subscriber is not a "U.S. person" (as that term is defined by Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Trust Units for the account or benefit of a U.S. person or a person in the United States;
- (aa) the Subscriber acknowledges that the Trust Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Trust Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered, unless

such person is a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States signing on behalf of a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a disclosed beneficial purchaser which is not in the United States or a U.S. person;

- (bb) the Subscriber undertakes and agrees that it will not offer or sell any of the Trust Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available, and further that it will not resell the Trust Units, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
 - (cc) the Subscriber has not purchased the Trust Units as a result of any form of "directed selling efforts", as such term is defined in Regulation S under the U.S. Securities Act;
 - (dd) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Trust and the Trustee in filing, such reports, undertakings and other documents with respect to the issue of the Trust Units;
 - (ee) the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Trust;
 - (ff) the Subscriber has reviewed the "Privacy Notice" on page 13 of this Subscription Agreement, and agrees to and accepts all covenants, representations and consents as set out therein;
 - (gg) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Trust hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCMLA") and the Subscriber acknowledges that the Trust or the Agent may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Trust and the Trustee if the Subscriber discovers that any of such representations ceases to be true, and to provide the Trust and the Trustee with appropriate information in connection therewith;
 - (hh) the Subscriber acknowledges that the Trust may complete additional financings in the future in order to develop the business of the Trust and to fund ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such financings may have a dilutive effect on shareholders, including the Subscriber; and
 - (ii) **the Subscriber acknowledges that an investment in the Trust Units is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Trust is not a reporting issuer in any province of Canada, has no obligation to become a reporting issuer, and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for the Trust Units, and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Trust Units. Resale of such Trust Units will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province of residence permitting the trade. The Subscriber covenants and agrees to comply with applicable securities legislation concerning the purchase, holding of, and resale of the Trust Units.**
4. **Timeliness of Representations, etc.** The Subscriber agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Trust Units and any subsequent disposition by the Subscriber of any of the Trust Units.
5. **Indemnity.** The Subscriber acknowledges that the Trust, the Trustee, the Agent and their respective counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in

determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Trust Units) to purchase Trust Units under the Offering, and hereby agrees to indemnify the Trust, the Trustee, the Agent and their respective directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Trust and the Trustee at 333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2, Attention: Chris Guthrie, Email: info@gravitasinvestments.com (fax: (416) 367-0997); and the Agent at 333 Bay Street, Suite 1720, Toronto, Ontario, M5H 2R2, Attention: Chief Executive Officer, Email: general@gravitassecurities.com, Facsimile: (416) 367-0997; of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.

6. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the Agent not later than noon (Toronto time) on the date which is 2 business days prior to the Closing Date of which the Subscriber receives notice:
 - (a) this duly completed and executed Subscription Agreement;
 - (b) a certified cheque, bank draft or wire transfer made payable to "Gravitas Special Situations Fund" or to "Gravitas Securities Inc., in Trust" in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Agent;
 - (c) a properly completed and duly executed copy of the appropriate investor qualification form as described on page 2 of this Subscription Agreement; and
 - (d) such other documents as may be requested by the Trust or the Agent, acting reasonably, as contemplated by this Subscription Agreement.

7. **Partial Acceptance or Rejection of Subscription.** The Trustee and the Agent may, in their absolute discretion, accept or reject the Subscriber's subscription for Trust Units as set forth in this Subscription Agreement, in whole or in part, and the Trustee reserves the right to allot to the Subscriber, with the consent of the Agent, less than the amount of Trust Units subscribed for under this Subscription Agreement. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Trust Units to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Trustee will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Trust Units to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.

If this Subscription Agreement is rejected in whole, or is accepted only in part, a cheque representing the whole Subscription or the amount by which the payment delivered by the Subscriber to the Agent exceeds the subscription price of the number of Trust Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, as the case may be, will be promptly delivered to the Subscriber without interest or deduction.

8. **Time and Place of Closing.** The sale of the Trust Units will be completed at the offices of TingleMerrett LLP, the Trust's counsel, in Calgary, Alberta, at 10:00 a.m. (Calgary time) or such other time as the Trustee and the Agent may agree upon (the "Closing Time") on the Closing Date. The Trustee and the Agent reserve the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.

9. **Deliveries at Closing.** At the Closing Time, if the terms and conditions contained in the Agency Agreement have been complied with to the satisfaction of the Agent, acting reasonably, or waived by the Agent in whole or in part, the Agent shall deliver to the Trust and the Trustee all completed subscription agreements (including this Subscription Agreement) and the aggregate subscription proceeds less an amount in respect of the Agent's commission and expenses that are payable in accordance with the Agency Agreement (which shall include without limitation, the fees and expenses of the Agent's designated legal counsel), against delivery by the Trust of certificates representing the Trust Units and such other documentation as may be required under the Agency Agreement.

10. **Subject to Regulatory Approval.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.

11. **Representations and Warranties of the Trust.** The Trust and the Trustee hereby represent and warrant to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
 - (a) the Trust and the Trustee have the full right, power and authority to execute and deliver this Subscription Agreement and to issue the Trust Units to the Subscriber;
 - (b) the Trust is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby make such qualification necessary;
 - (c) the Trust has complied or will comply with all applicable securities laws in connection with the offer and sale of the Trust Units;
 - (d) upon acceptance by the Trustee, this Subscription Agreement shall constitute a binding obligation of the Trust enforceable 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 general principles of equity including the fact that specific performance is available only in the discretion of the court; and
 - (e) the execution, delivery and performance of this Subscription Agreement by the Trustee and the issuance of the Trust Units pursuant hereto does not and will not constitute a breach of or default under the governing documents of the Trust, or any law, regulation, order or ruling applicable to the Trust, or any agreement to which the Trust is a party or by which it is bound.
12. **Role of the Agent.** The Subscriber acknowledges that the Agent has been appointed by the Trust to act as the agent of the Trust to market the Trust Units on a commercially reasonable private placement basis and, in connection therewith, the Trust and the Agent have entered into or will prior to the Closing Time enter into an agreement (the "Agency Agreement") pursuant to which the Agent, in connection with the issue and sale of the Trust Units, will receive compensation from the Trust. The Subscriber hereby irrevocably authorizes the Agent to:
 - (a) negotiate and settle the form of any certificates to be delivered and any agreement to be entered into in connection with the Offering and to vary, amend, alter or waive, on its own behalf and on behalf of the purchasers of Trust Units, in whole or in part, or extend the time for compliance with, any of the conditions for completing the sale of the Trust Units in such manner and on such terms and conditions as the Agent may determine, acting reasonably, without in any way affecting the Subscriber's obligations or the obligations of such others hereunder; provided, however, that the Agent shall not vary, amend, alter or waive any such condition where to do so would result in a material adverse change to any of the material attributes of the Trust Units;
 - (b) allocate the Trust Units being offered pursuant to the Offering and in accordance with the terms of the Agency Agreement;
 - (c) act as its representative at the Closing with full power of substitution, as its true and lawful attorney and agent with the full power and authority in its place and stead to swear, execute, file and record any document necessary to accept delivery of certificates representing the Trust Units on the Closing Date, to terminate this subscription on its behalf in the event that any condition precedent to the Offering has not been satisfied, to execute a receipt for such certificates and all other documentation, and to deliver such certificates to the Subscriber as set out in this Subscription Agreement promptly after Closing;
 - (d) complete or correct any errors or omissions in this Subscription Agreement and any form or document provided by the Subscriber;
 - (e) receive on the Subscriber's behalf certificates representing the Trust Units purchased pursuant to this Subscription Agreement;
 - (f) approve any opinions, certificates or other documents addressed to the Subscriber;
 - (g) waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Subscriber and contained in the Agency Agreement; and
 - (h) exercise any rights of termination under the Agency Agreement.
13. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Trust.

14. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Trust shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
15. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.
16. **Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
17. **Electronic Copies.** The Trust, the Trustee and the Agent shall be entitled to rely on delivery of an electronic copy of executed subscriptions, and acceptance by the Trustee of such subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Trust in accordance with the terms hereof.
18. **Counterpart.** This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.
19. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
20. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
21. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, all references to money amounts are to Canadian dollars.
22. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.
23. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Trust Units to the Subscriber shall be borne by the Subscriber.
24. **Withdrawal.** Other than pursuant to the Agency Agreement, the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
25. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

PRIVACY NOTICE

The Subscriber acknowledges that this Subscription Agreement and the Schedules and Exhibits hereto require the Subscriber to provide certain personal information to the Trust, the Trustee and the Agent. Such information is being collected by the Trust, the Trustee and the Agent for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility (or that of any disclosed beneficial purchaser) to purchase the Trust Units under applicable securities laws, preparing and registering certificates representing the Trust Units to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information (and that of any disclosed beneficial purchaser) may be disclosed by the Trust to (a) stock exchanges or securities regulatory authorities (including the Ontario Securities Commission (the "**OSC**") and the British Columbia Securities Commission (the "**BCSC**")), (b) the Trust's registrar and transfer agent, (c) Canadian tax authorities, and (d) any of the other parties involved in the Offering, including legal counsel, and may be included in closing books in connection with the Offering. By executing this Subscription Agreement, the Subscriber (on its own behalf and on behalf of any disclosed beneficial purchaser for whom it is contracting hereunder) consents to the foregoing collection, use and disclosure of the Subscriber's (and any disclosed beneficial purchaser's) personal information. The Subscriber (on its own behalf and on behalf of any disclosed beneficial purchaser for whom it is contracting hereunder) also consents to the filing of copies or originals of any of the Subscriber's documents delivered in connection with this Subscription Agreement as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby and expressly consents to the collection, use and disclosure of the Subscriber's (and any disclosed beneficial purchaser's) personal information by the TSX Venture Exchange or the Toronto Stock Exchange for the purposes identified by such exchange, from time to time. The Subscriber (on its own behalf and on behalf of any disclosed beneficial purchaser for whom it is contracting hereunder) further acknowledges that it has been notified by the Trust and the Agent, as applicable (a) of the requirement to deliver to the OSC and the BCSC the full name, residential address and telephone number of the purchaser of the securities, the number and type of securities purchased, the total purchase price, the exemption relied upon and the date of distribution; (b) that this information is being collected indirectly by the OSC and BCSC under the authority granted to it in securities legislation; (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario and British Columbia; (d) that the Administrative Support Clerk can be contacted at Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8, or at (416) 593-3684, and can answer any questions about the OSC's indirect collection of this information; and (e) that the BCSC can be contacted at British Columbia Securities Commission, P.O. Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1L2, Telephone: (604) 899-6500, Toll free across Canada: 1-800-373-6393, Facsimile: (604) 899-658, and can answer any questions about the BCSC's indirect collection of this information.

SCHEDULE "A"

REPRESENTATION LETTER

TO BE COMPLETED BY ACCREDITED INVESTORS

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent")

(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Representation Letter forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Trust, the Trustee, the Agent and their respective counsel that:

1. the undersigned Subscriber is resident in the jurisdiction set out as the "Subscriber's Residential Address" on the face page of the Subscription Agreement and, if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser is resident in the jurisdiction set out as the "Disclosed Beneficial Purchaser Information" on the face page of the Subscription Agreement;
2. the undersigned Subscriber is either (a) purchasing the Trust Units as principal for its own account, (b) deemed to be purchasing the Trust Units as principal in accordance with section 2.3(2) or (4) of NI 45-106, or (c) acting as agent for a disclosed beneficial purchaser who is purchasing the Trust Units as principal for its own account;
3. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) is an "accredited investor" within the meaning of NI 45-106 and Section 73.3(1) of the *Securities Act* (Ontario), as applicable, by virtue of satisfying the indicated criterion as set out in Exhibit A to this Representation Letter;
4. the Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) fully understands the meaning of the terms and conditions of the category of "accredited investor" applicable to it and confirms that it has reviewed and understands the definitions in Exhibit A to this Representation Letter in respect of the category of "accredited investor" applicable to it and, in particular, if the Subscriber is an "accredited investor" by virtue of satisfying paragraph (j), (j.1), (k) or (l) of Exhibit A to this Representation Letter, it has reviewed and understands the definitions of "related liabilities" and "financial assets", as applicable, contained in Exhibit A hereto;
5. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) was not created, and is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;
6. if the Subscriber (or if the undersigned Subscriber is purchasing as agent for a disclosed beneficial purchaser, the disclosed beneficial purchaser) is an "accredited investor" by virtue of satisfying paragraph (j), (k) or (l) on Exhibit A to this Representation Letter, it acknowledges that it needs to complete Exhibit B to this Representation Letter and upon execution of Exhibit B by the Subscriber, Exhibit B shall be incorporated into and form a part of this Representation Letter and the Trust, the Trustee and the Agent and their respective counsel shall be entitled to rely thereon; and

7. upon execution of this Representation Letter by the undersigned Subscriber, this Representation Letter, including the Exhibits hereto, shall be incorporated into and form a part of the Subscription Agreement.

Name of Subscriber (please print)

By: _____

Authorized Signature

Official Title or Capacity (please print)

Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

DATED at _____ this ____ day of _____, 201__.

IMPORTANT
PLEASE COMPLETE THE EXHIBITS TO THIS REPRESENTATION LETTER

EXHIBIT A TO SCHEDULE "A"
TO BE COMPLETED BY ACCREDITED INVESTORS

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY BELOW TO WHICH YOU BELONG
--

Please complete the Representation Letter to the Trust, the Trustee and the Agent by marking your initials beside the category of "accredited investor" to which you belong within the meaning of Section 1.1 of NI 45-106 and Section 73.3(1) of the *Securities Act* (Ontario), as applicable:

Meaning of "Accredited Investor"

"Accredited investor" is defined in Section 1.1 of NI 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:

- _____ (a) (i) except in Ontario, a Canadian financial institution, or a bank listed in Schedule III of the *Bank Act* (Canada),
(ii) in Ontario, (A) a bank listed in Schedule I, II or III to the *Bank Act* (Canada); (B) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act; or (C) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be,
- _____ (b) (i) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
(ii) in Ontario, the Business Development Bank of Canada,
- _____ (c) (i) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
(ii) in Ontario, a subsidiary of any person referred to in paragraphs (a) through (e) above, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- _____ (d) (i) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
(ii) in Ontario, a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations under the *Securities Act* (Ontario),
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- _____ (f) (i) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the government of Canada or a jurisdiction of Canada,
(ii) in Ontario, the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or the government of a province or territory of Canada,
- _____ (g) (i) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

- (ii) in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- _____ (h)
 - (i) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
 - (ii) in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- _____ (i)
 - (i) except in Ontario, a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
 - (ii) in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada,
- _____ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds \$1,000,000,

[Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1), then initial paragraph (j.1) instead of this paragraph (j).]

[Note: If you are an accredited investor described in this paragraph (j), and do not meet the higher financial asset threshold set out in paragraph (j.1), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]

- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,

[Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1). See definition of "financial assets" below. If you meet the financial asset threshold set out in this paragraph (j.1), you are not required to complete Exhibit B.]

- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

[Note: If individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialed and completed.]

[Note: If you are an accredited investor described in this paragraph (k), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]

- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,

[Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.]

[Note: If you are an accredited investor described in this paragraph (l), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Exhibit B hereto).]

- _____ (m) a person, other than an individual or an investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements,

- _____ (n) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in section 2.10 of National Instrument 45-106 (where the person subscribes for a minimum amount investment) and Section 2.19 of National Instrument 45-106 (where the person makes an additional investment in investment funds), or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106 (investment fund reinvestment),
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

Note: If you initialled (t), then indicate the name and category of accredited investor (by reference to the applicable letter of this Exhibit A) of each of the owners of interests (attach additional pages if more than three):

Name	Category of Accredited Investor
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

Note: If you initialed (w), then indicate the name and category of accredited investor (by reference to the applicable letter of this Exhibit A) of each of the following (attach additional pages if more than three trustees):

	Name	Category of Accredited Investor
Individual who established trust:	_____	_____
Trustee	_____	_____
Trustee	_____	_____
Trustee	_____	_____

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY ABOVE TO WHICH YOU BELONG

Interpretative Aids

The following definitions relate to certain of the categories set forth above:

- (a) "Canadian financial institution" means:
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) "Canadian securities regulatory authorities" means the securities commissions and similar regulatory authorities of each of the provinces or territories of Canada;
- (c) "eligibility adviser" means:
 - (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed; and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons; and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (d) "EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;
- (e) "financial assets" means:
 - (i) cash;
 - (ii) securities; or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (f) "foreign jurisdiction" means a country other than Canada or a political subdivision of a country other than Canada;
- (g) "fully managed account" means an account for which a person or company makes the investment decisions if that person or company has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

- (h) "investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;
- (i) "jurisdiction" means a province or territory of Canada;
- (j) "non-redeemable investment fund" means an issuer, (i) whose primary purpose is to invest money provided by its securityholders; (ii) that does not invest (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and (iii) that is not a mutual fund;
- (k) "person" includes:
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (l) "related liabilities" means:
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
- (m) "securities legislation" means, for the local jurisdiction, the statute and other instruments issued by the securities regulator authority of the local jurisdiction;
- (n) "subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and
- (o) "VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments.

All monetary references are in Canadian dollars.

EXHIBIT B TO SCHEDULE "A"
FORM 45-106F9
FORM FOR INDIVIDUAL ACCREDITED INVESTORS

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITYHOLDER:	
1. About your investment	
Type of securities: Trust Units	Issuer: Gravitas Special Situations Fund
Purchased from: Gravitas Special Situations Fund (the Issuer of the Trust Units)	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>For investment in a non-investment fund</p> <p><i>[Insert name of issuer/selling security holder]</i></p> <p><i>[Insert address of issuer/selling security holder]</i></p> <p><i>[Insert contact person name, if applicable]</i></p> <p><i>[Insert telephone number]</i></p> <p><i>[Insert email address]</i></p> <p><i>[Insert website address, if applicable]</i></p> <p>For investment in an investment fund</p> <p>Gravitas Special Situations Fund <i>[Insert name of investment fund]</i></p> <p>Gravitas Securities Inc. <i>[Insert name of investment fund manager]</i></p> <p>333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2 <i>[Insert address of investment fund manager]</i></p> <p>T: (416) 639-2104 <i>[Insert telephone number of investment fund manager]</i></p> <p>info@gravitasinvestments.com <i>[Insert email address of investment fund manager]</i></p> <p>Not applicable <i>[If investment is purchased from a selling security holder, also insert name, address, telephone number and email address of selling security holder here]</i></p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.

SCHEDULE "B"

REPRESENTATION LETTER - 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Gravitas Special Situations Fund has agreed to pay trailer fees to registered dealers monthly based on the subscription proceeds attributable to the Class A Trust Units held in each registered dealer's client accounts in an amount equal to 1% per annum. For clarity, no commissions or trailer fees are paid in respect of the Class F Trust Units or the Class O Units.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

_____ Date

_____ Signature of Purchaser

_____ Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase. To do so, send a notice to Gravitas Special Situations Fund stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Gravitas Special Situations Fund at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:
 Gravitas Special Situations Fund
 333 Bay Street, Suite 1700
 Toronto, Ontario, M5H 2R2
 Attention: Chris Guthrie
 Fax: 416-367-0997
 Email: info@gravitasinvestments.com

Copy for the Trust:
Please execute and return this copy to the Trust in accordance with the instructions provided for on page 2.

You are buying *Exempt Market Securities*

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You will not receive ongoing information about this issuer.

For more information on the *exempt market*, call your local securities regulatory authority or regulator.

ALBERTA SECURITIES COMMISSION
Suite 600, 250 – 5th Street SW.
Calgary, Alberta
T2P 0R4
(403) 297-6454
www.albertasecuritiescommission.com

MANITOBA SECURITIES COMMISSION
500 – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4W5
(204) 945-2548
www.msc.gov.mb.ca

BRITISH COLUMBIA SECURITIES COMMISSION
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2
(604) 899-6500
www.bcsc.bc.ca

ONTARIO SECURITIES COMMISSION
20 Queen Street West, Suite 1903
Toronto, Ontario
M5H 3S8
(416) 593-8314
www.osc.gov.on.ca

SASKATCHEWAN SECURITIES COMMISSION
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 4H2
(306) 787-5645
www.sfsc.gov.sk.ca/

REPRESENTATION LETTER - 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable but I may only be able to redeem them in limited circumstances.
- I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. Gravitas Special Situations Fund has agreed to pay trailer fees to registered dealers monthly based on the subscription proceeds attributable to the Class A Trust Units held in each registered dealer's client accounts in an amount equal to 1% per annum. For clarity, no commissions or trailer fees are paid in respect of the Class F Trust Units or the Class O Units.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase. To do so, send a notice to Gravitas Special Situations Fund stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Gravitas Special Situations Fund at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Gravitas Special Situations Fund
 333 Bay Street, Suite 1700
 Toronto, Ontario, M5H 2R2
 Attention: Chris Guthrie
 Fax: 416-367-0997
 Email: info@gravitasinvestments.com

Copy for the Subscriber:
Please execute and retain this copy for your records.

You are buying *Exempt Market Securities*

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You will not receive ongoing information about this issuer.

For more information on the *exempt market*, call your local securities regulatory authority or regulator.

ALBERTA SECURITIES COMMISSION
Suite 600, 250 – 5th Street SW.
Calgary, Alberta
T2P 0R4
(403) 297-6454
www.albertasecuritiescommission.com

MANITOBA SECURITIES COMMISSION
500 – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4W5
(204) 945-2548
www.msc.gov.mb.ca

BRITISH COLUMBIA SECURITIES COMMISSION
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2
(604) 899-6500
www.bcsc.bc.ca

ONTARIO SECURITIES COMMISSION
20 Queen Street West, Suite 1903
Toronto, Ontario
M5H 3S8
(416) 593-8314
www.osc.gov.on.ca

SASKATCHEWAN SECURITIES COMMISSION
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 4H2
(306) 787-5645
www.sfsc.gov.sk.ca/

SCHEDULE "C"

REPRESENTATION LETTER – NI 45-106 ELIGIBLE INVESTOR

Each Subscriber who is an Alberta, Saskatchewan or Manitoba resident and who is subscribing for more than \$10,000 in Trust Units is required to complete and execute the following certificate.

CERTIFICATE OF ALBERTA, SASKATCHEWAN OR MANITOBA ELIGIBLE INVESTOR

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent")

(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)

In connection with the purchase of Trust Units of the Trust, the undersigned hereby represents, warrants and certifies to the Trust, the Trustee and the Agent that the undersigned is an "eligible investor" as defined in Section 1.1 of National Instrument 45-106 *Prospectus Exemptions* and is purchasing the securities offered hereunder as principal.

The undersigned has indicated below the category or categories which it, he or she satisfies to qualify as an "eligible investor". If not an individual, the undersigned was not created or used solely to purchase or hold securities as an "eligible investor".

The undersigned fully understands the meaning of the terms and conditions of the category of "eligible investor" applicable to it and confirms that it has reviewed and understands the definitions in this Certificate in respect of the category of "eligible investor" applicable to it.

If the undersigned is an "eligible investor" by virtue of satisfying paragraph (f) below as an "accredited investor", it acknowledges that it must complete and sign Schedule "A" to the Subscription Agreement.

The undersigned understands that the Trust, the Trustee, the Agent and their respective counsel are relying on this information in determining to sell securities to the undersigned in a manner exempt from the prospectus and registration requirements of the securities legislation in the jurisdiction in which the undersigned is a resident.

Upon execution of this Certificate by the undersigned Subscriber, this Certificate shall be incorporated into and form a part of the Subscription Agreement.

ELIGIBLE INVESTOR STATUS

The undersigned represents, warrants and certifies that it, he or she is ***[initial each applicable item]***:

- ___ (a) a person whose:
 - ___ (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000, ***[Note: your "net assets" are your total assets (including real estate) minus your total debt]***
 - ___ (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year, or
 - ___ (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year,
- ___ (b) a person of which a majority of the voting securities are beneficially owned by eligible investors, or a majority of the directors are eligible investors,
- ___ (c) a general partnership of which all of the partners are eligible investors,
- ___ (d) a limited partnership of which the majority of the general partners are eligible investors,

- ___ (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,

Note: If you initialed & marked (b), (c), (d) or (e), then indicate the name and category of eligible investor (by reference to the applicable item above) as follows (attach additional pages if required):

- (1) list all owners of voting securities (and % owned) if relying on security holders as Eligible Investors or list all of the directors if relying on the majority of directors as eligible investors*
- (2) list all partners*
- (3) list all general partners*
- (4) list all beneficiaries, trustees and executors*

Attach supporting documentation affirming the owners of voting securities (and % owned) such as an Annual Return or a certified list of shareholders.

Name and Title	Percentage of Securities	Category of Eligible Investor

- ___ (f) an accredited investor, as such term is defined in NI 45-106, and it has concurrently completed, signed and delivered a Representation Letter in the form of Schedule "A" this Subscription Agreement indicating the applicable category or categories,

- ___ (g) a person who purchases the security as principal and is:
 - ___ (i) a director, executive officer or control person of the issuer or of an affiliate of the issuer,
 - ___ (ii) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,
 - ___ (iii) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,
 - ___ (iv) a close personal friend of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,
 - ___ (v) a close business associate of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,
 - ___ (vi) a founder of the issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the issuer,
 - ___ (vii) a parent, grandparent, brother, sister, child or grandchild of the spouse of a founder of the issuer,
 - ___ (viii) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in paragraphs (i) to (vii), or
 - ___ (ix) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (i) to (vii), or

_____ (h) a person that has obtained advice regarding the suitability of the investment and, if the person or company is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser. "**Eligibility Advisor**" means a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of the purchaser and authorized to give advice with respect to the type of security being distributed, and in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant (A) does not have a professional, business or personal relationship with the issuer, or any of the directors, executive officers, founders or control persons of the issuer, and (B) has not acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of the issuer's directors, executive officers, founders or control persons within the previous 12 months.

[If you fall within this category, please indicate in the space below the name, title and firm of the investment dealer, securities dealer or equivalent from whom you obtained advice:

_____]

The undersigned has executed this Questionnaire as of the _____ day of _____, 201____.

If a Corporation, Partnership or Other Entity:

If an Individual:

Name of Entity

Signature

Type of Entity

Named Individual

Signature of Person Signing

Title of Person Signing

As used in this certificate, the following terms have the following meaning:

"affiliate" means an issuer connected with another issuer because (i) one of them is the subsidiary of the other; (ii) each of them is controlled by the same person; or (iii) for the purposes of Saskatchewan securities law, both are subsidiaries of the same issuer.

"close personal friend" is an individual who has known the director, executive officer, founder or control person well enough and for a sufficient period of time to be in a position to assess their capabilities and trustworthiness. The term "close personal friend" can include family members not already specifically identified in the exemption if the family member satisfies the criteria described above.

An individual is not a close personal friend solely because the individual is a relative or a member of the same organization, association or religious group or a client, customer or former client or customer.

The relationship between the purchaser and director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close personal friend of a close personal friend of the director, executive officer, founder or control person.

"close business associate" is an individual who has had sufficient prior business dealings with the director, executive officer, founder or control person to be in a position to assess their capabilities and trustworthiness.

An individual is not a close business associate solely because the individual is a client, customer or former client or customer.

The relationship between the purchaser and director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director, executive officer, founder or control person.

"control person" means any person that holds or is one of a combination of persons that holds:

- (a) a sufficient number of any of the securities of the Trust so as to affect materially the control of the Trust; or
- (b) more than 20% of the voting shares of the Trust except where there is evidence showing the holding of the shares does not affect materially the control of the Trust.

"director" means (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.

"executive officer" means, for the Trust, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- (c) an officer of the Trust or any of its subsidiaries and who performs a policy-making function in respect of the Trust, or
- (d) performing a policy-making function in respect of the Trust.

"founder" means a person or company who,

- (a) acting alone, in conjunction or in concert with one or more other persons or companies, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Trust, and
- (b) at the time of the proposed trade, is actively involved in the business of the Trust.

"person" includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.

SCHEDULE "D"

Each Subscriber who is an Alberta, Saskatchewan or Ontario resident and who is subscribing as an individual under the offering memorandum exemption is required to complete and execute two copies of each of Exhibit 1 and Exhibit 2 to this Schedule "D", retaining one copy for its records.

EXHIBIT 1 TO SCHEDULE "D"
Classification of Investors Under the Offering Memorandum Exemption

Instructions: This Exhibit 1 of Schedule "D" must be completed together with the Risk Acknowledgement Form (Schedule "B") and Exhibit 2 to Schedule "D" by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Alberta, Saskatchewan and Ontario.

How you qualify to buy securities under the offering memorandum exemption
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____.</p>	
	<p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____.</p> <p>You have known that person for _____ years.</p>	
D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	

EXHIBIT 2 TO SCHEDULE "D"
Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This Exhibit 2 of Schedule "D" must be completed together with the Risk Acknowledgement Form (Schedule "B") and Exhibit 1 to Schedule "D" by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Alberta, Saskatchewan and Ontario.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Exhibit 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this Exhibit 2, that your investment is suitable.	
	Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000 .	
B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45- 106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.	
C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

SCHEDULE "E"

ELIGIBLE INVESTOR SUPPORTING CHECKLIST

To be completed by the person meeting with or providing information to the Subscriber (the "Salesperson") that is subscribing for securities as an "eligible investor". The issuer is required to keep a copy of this form and any supporting documentation (if any was received) for 8 years after the distribution.

1. Subscriber Information	
Name of Subscriber:	Issuer: Gravitas Special Situations Fund
Name of representative of Subscriber (for non-individual Subscribers):	Security: Trust Units
2. Salesperson Information	
Print first and last name of Salesperson:	
Date:	
3. Support for Eligible Investor Status	
(a) Describe how the Subscriber was identified or located:	
(b) How long have you known the Subscriber?	
(c) Describe the details of your relationship with the Subscriber or prior business dealings:	
(d) Indicate the category or categories of "eligible investor" that the Subscriber certified apply to the Subscriber in the Subscriber's subscription agreement in the box on the right. <i>Note: If the category of "eligible investor" is based on a financial threshold, then ask the Subscriber whether the Subscriber has "net income before taxes", "net assets" or "financial assets" (as applicable) that exceed the applicable threshold and explain that:</i> <i>"financial assets" are cash and securities, after subtracting any debt related to the cash and securities.</i> <i>"net assets" are total assets (including real estate) minus the Subscriber's total debt; and</i> <i>"net income before taxes" is available on the Subscriber's tax returns.</i>	<div style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black; margin-bottom: 5px;">Subscriber Category</div> <i>Note: indicate the paragraph(s) indicated on Schedule "C" of the Subscriber's Subscription Agreement</i>
(e) Did the Subscriber appear to understand the category or categories of "eligible investor" that the Subscriber certified apply to the Subscriber, including, if applicable, the definition of "net income", "financial assets" or "net assets"? <i>Note: Ask the Subscriber questions regarding the Subscriber's net income before taxes, net assets and/or financial assets (as applicable) to determine that the Subscriber meets or exceeds the financial threshold in the applicable category of eligible investor.</i>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> Yes</div> <div style="text-align: center;"><input type="checkbox"/> No</div> </div> <i>Note: Only complete (f) if the answer to Part (e) is "no".</i>
(f) Do the Subscriber's initial responses to the questions asked in part (e) seem reasonable, including whether the Subscriber meets the category of "eligible investor" that the Subscriber certified on the subscription agreement? <i>Note: If "no", make further inquiries regarding the Subscriber's financial circumstances and if the response to this part (f) remains "no" then you <u>must</u> complete part (g) to proceed with the subscription.</i>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> Yes</div> <div style="text-align: center;"><input type="checkbox"/> No</div> </div> <i>Note: Only complete (f) if the answer to Part (e) is "no".</i>
(g) <u>If the response to the question in part (f) is "no"</u> then ask the Subscriber to show supporting documentation to support the Subscriber's status as an "eligible investor" and <u>describe</u> the supporting documentation below:	

SCHEDULE "F"

REPRESENTATION LETTER (FOR NON-CANADIAN RESIDENT INVESTORS ONLY, EXCLUDING U.S. PERSONS)

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent")

(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached)

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Representation Letter forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Trust, the Trustee, the Agent and their respective counsel that:

1. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is resident in the jurisdiction set out as the "Subscriber's Residential Address" and "Disclosed Beneficial Purchaser's Residential Address", as applicable, on the face page of the Subscription Agreement (the "**Foreign Jurisdiction**") and the undersigned Subscriber certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada.
2. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is a purchaser which is purchasing the Trust Units pursuant to an exemption from any prospectus or securities registration or similar requirements under the applicable securities laws of the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
3. The purchase of Trust Units by the Subscriber, and any other purchaser for whom it is acting hereunder, does not contravene any of the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject and does not result in: (i) any obligation of the Trust to prepare and file a prospectus, an offering memorandum or similar document; or (ii) any obligation of the Trust to make any filings with or seek any approvals of any kind from any regulatory body in such jurisdiction or any other ongoing reporting requirements with respect to such purchase or otherwise; or (iii) any registration or other obligation on the part of the Trust under the applicable securities laws in the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
4. The Trust Units are being acquired for investment purposes only and not with a view to the resale or distribution of all or any of the Trust Units.
5. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, are knowledgeable of, and have been independently advised as to, the securities laws of the Foreign Jurisdiction or any other securities laws to which the Subscriber and (if applicable) any other purchaser for whom the Subscriber is acting hereunder are otherwise subject.
6. The undersigned Subscriber and (if applicable) any other purchaser for whom it is acting hereunder, is aware that its ability to enforce civil liabilities under applicable securities laws may be affected adversely by, among other things: (A) the fact that the Trust is organized under the laws of Canada; (B) the Trustee and some or all of the directors and officers of the manager of the Trust may be residents of Canada; and (C) all or a substantial portion of the assets of the Trust and said persons may be located outside the Foreign Jurisdiction.

7. Upon execution of this Schedule by the undersigned Subscriber, this Representation Letter shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 201 ____.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from the
Subscriber)

Title

SCHEDULE "G"
POWER OF ATTORNEY

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent")

(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached or in the Trust Indenture (as defined below), as applicable)

In connection with the purchase of Trust Units by the undersigned Subscriber or, if applicable, the principal on whose behalf is purchasing as agent, the Subscriber hereby represents, warrants, covenants and certifies to the Trust, the Trustee and the Agent that:

The Subscriber hereby agrees to be bound as a Unitholder by the terms of the trust indenture dated January 24, 2018 between Jeffrey Helper, as settler and Chris Guthrie, as trustee (the "**Trust Indenture**"), and the Subscriber hereby grants to the Trustee, its successors and assigns, a power of attorney constituting the Trustee, with full power of substitution, as the Subscriber's true and lawful attorney and agent, with full power and authority, in the Subscriber's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, and record or file, as the case may be, as and where required:

- (a) the Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust in all jurisdictions that the Trustee deems appropriate;
- (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Trust Indenture, including all conveyances, transfers and other documents required to facilitate any sale of Trust Units or in connection with any disposition of Units required under the Trust Indenture;
- (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of the Trust Indenture;
- (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the *Income Tax Act* (Canada) or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust;
- (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Trust Indenture which is authorized from time to time as contemplated by the Trust Indenture; and
- (f) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units of non-tendering offerees pursuant to the Trust Indenture.

The power of attorney granted herein is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Without limiting any other manner in which this power of attorney may be exercised by the Trustee on behalf of one or more Unitholders, the Trustee may, in executing any instrument on behalf of all Unitholders collectively, execute such instrument with a single signature and indicating such execution is as attorney and agent for all of such Unitholders. The Unitholder agrees to be bound by any representations or actions made or taken by the Trustee pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee in good faith under this power of attorney.

This document shall be governed by and construed in accordance with the laws of the Province of Alberta.

The undersigned has executed this as of the _____ day of _____, 201____.

(Witness to Signature)

(Signature of Subscriber)

(Name of Witness - Please Print)

(Name of Subscriber - Please Print)

(Mailing Address of Subscriber)

SCHEDULE "H"
CONFLICT ACKNOWLEDGEMENT

TO: Gravitas Special Situations Fund (the "Trust")
AND TO: The Trustee of the Trust (the "Trustee")
AND TO: Gravitas Securities Inc. (the "Agent" or "GSI")
AND TO: Gravitas Financial Inc. ("GFI")
AND TO: Gravitas Mining Corporation ("GMC")
AND TO: Gravitas Iium Corporation ("GIC")
AND TO: Portfolio Strategies Corporation ("PSC")

(Capitalized terms not specifically defined in this Schedule have the meaning ascribed to them in the Subscription Agreement to which this Schedule is attached or in the Offering Memorandum, as applicable)

Reference is made to the Subscription Agreement to which this Schedule is attached and the Offering Memorandum. In connection with the undersigned Subscriber's subscription for Trust Units pursuant to the Subscription Agreement, the undersigned hereby acknowledges and confirms that:

- (i) There are conflicts of interest between the Trust, the Trustee and the Agent (also referred to herein as the "Manager") as it relates to this Offering and the administration of the Trust.
- (ii) The Trust may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory, distribution and other business activities. The services of the Manager are not exclusive and nothing in the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning the allocation of time by the Manager to the Trust. The personnel of the Manager devote such time to the affairs of the Trust as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Trust. As a registered dealer, the Manager intends to sell interests in related trusts, limited partnerships and other pooled funds organized by the Manager.
- (iii) The Manager and its respective principals and affiliates do not devote their time exclusively to the investment management or portfolio management of the Trust. In addition, such persons may perform similar or different services for others and may sponsor or establish other investment funds during the same period during which they act on behalf of the Trust. Such persons therefore may have conflicts of interest in allocating management time, services and functions to the Trust and the other persons for which they provide similar services. Accordingly, certain opportunities to purchase or sell securities or engage in other permissible transactions may be allocated among a number of the Manager's clients. The Manager, however, will allocate available transactions among the Trust and other clients in a manner believed by the Manager to be fair and equitable.
- (iv) The Manager and its officers and employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest. The Manager has in place systems to monitor the personal trading and other business activities of its officers and employees. The Manager is the portfolio manager to the Trust and, to the extent permitted by securities legislation, the Trust may from time to time invest in underlying companies who are also the Manager's investment banking clients. In such instances, the Manager will make every effort to comply with conflicts of interest disclosures and regulations to minimize the conflict including efforts to ensure that the portfolio manager is not also involved in ongoing investment banking transactions for the underlying assets.
- (v) The Agent will be entitled to receive certain fees (including the Trailer Fees) pursuant to the terms of the Agency Agreement and will receive the Management Fee and the Performance Fee, as may be applicable, pursuant to the terms of the Management Agreement.
- (vi) The Trust may also be subject to various conflicts of interest due to the fact that the Trustee is engaged in a wide variety of other business activities. The services of the Trustee are not exclusive and nothing in the Trust Indenture or any other agreement prevents it from providing similar services to other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities. The Trust Indenture does not impose any specific obligations or requirements concerning the allocation of time by the Trustee to the Trust. The Trustee will use all reasonable efforts to avoid engaging

in activities that would lead to conflicts of interest and will make every effort to comply with conflicts of interest disclosures and regulations to minimize any such conflicts.

- (vii) Various conflicts of interest exist or may arise between the Trust, the Agent, GFI, GMC and affiliates. These conflicts of interest may have a detrimental effect on the business of the Trust.
- (viii) GFI directly holds over 70% of the common shares of GMC, the promoter of the Trust. At this time, Yuhua International Capital Inc. ("Yuhua") directly holds approximately 17.40% of the common shares of GFI and directly holds over 25% of the common shares of GMC and may acquire additional common shares in the future. Overall, Yuhua directly and indirectly controls over 30% of the common shares of GMC. Yuhua is a Canadian holding company in the Yuhua Group of Companies, a Chinese conglomerate in the mining, real estate and pharmaceutical sectors.
- (ix) GMC is a merchant bank that makes direct investments into mining related companies. GMC provides strategic capital market advisory and mining consultancy services.
- (x) GFI holds an approximate 40% interest in GIC, a financial services holding company. GFI and GIC are not arm's length to GSI in that GFI indirectly controls approximately 23% of the voting securities of GSI and GIC indirectly controls approximately 55% of the voting securities of GSI. GSI acts as Agent in this Offering and as described more below also acts as portfolio manager in various funds in which the Trust intends to invest.
- (xi) GIC, through its subsidiary ForeGrowth Inc., also acts as a general partner and GSI also acts as a portfolio manager of several ForeGrowth investment funds. Some conflicts arise as a result of the power and authority of GIC to manage and operate its own business and affairs and those of its affiliates while at the same time GIC acts as the general partner and GSI as the portfolio manager of related funds.
- (xii) GFI is also not arm's length to PSC a related mutual-fund dealer, and PSC may, from time to time act as agent in this offering and in other offerings from the greater Gravitass group of companies from time to time.
- (xiii) Other affiliates of GFI include but not limited to GFI'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). GMC, GSI and PSC may, from time to time, establish relationships with resource companies that are the subject of investments by the Trust. 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 or the involvement of individuals that are directors or officers of GFI, GMC, GIC, GSI or PSC 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 Trust and GFI, as noted above.
- (xiv) GFI and GSI also act as general partner and portfolio manager, respectively, of several related resource funds which GMC is currently an investor and intends to make further investments in future funds. Some conflicts arise as a result of the power and authority of GFI to manage and operate the business and affairs of the Trust while at the same time GFI acts as the general partner and GSI as the portfolio manager of related funds. GFI also serves as general partner of investment partnerships, including the Gravitass Select Flow-Through Limited Partnership III, Gravitass Select Flow-Through L.P. 2016, Gravitass Short-Duration Flow-Through L.P. 2017, Gravitass Select Flow-Through L.P. 2017 and Gravitass Special Situations Limited Partnership (such additional entities are hereinafter collectively referred to as the "Gravitass Partnerships"). GFI, GFI's affiliates and GSI 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 companies 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. Any conflicts of interest which arise involving the Trust, GFI or the Manager, shall be dealt with on a basis consistent with objectives of the Trust, and the duty of GFI and the Manager to deal honestly, in good faith and in the best interest of the Unitholders and the Trust. Subject to compliance with Applicable Securities Laws, the Trust may invest in securities of entities related to GFI or the Manager, or purchase a security of a trust in which a responsible person or an associate of a responsible person is a partner, officer or director. In addition, the Trust may invest in resource companies in respect of which one or more of the Gravitass Partnerships have also invested and the holdings of the securities of such resource companies may be registered in the name of

GFI, in its capacity as general partner of the Gravitas Partnerships. Any such potential conflicts will be dealt with in a similar manner as described above.

- (xv) David Carbonaro, who serves as a Director of GFI, also serves as President and Director of GMC. Mr. Carbonaro indirectly controls approximately 19% of the voting securities of GFI and approximately 5% of the voting securities of the Manager. Mr. Carbonaro also serves as the President of several of the general partners of the Gravitas Partnerships in which GMC is currently an investor and in the future intends to invest.
- (xvi) Vikas Ranjan is the President and Director of GFI and holds approximately 12% of the voting securities of GFI and he is also the co-founder and Executive-Vice President of Ubika. Mr. Ranjan is also an Executive Vice President and Director of GMC. From time to time, Mr. Ranjan acts as an advisor to the leadership of GSI as well as other GFI affiliates.
- (xvii) Lawrence Xing is the controlling shareholder of Yuhua and is also the President of the Yuhua Group and the Chairman of GMC.
- (xviii) Patrick Sapphire, CFA is a Director and an Executive Vice-President of GMC and is also a shareholder of Yuhua, holding 10% of the common share of Yuhua.
- (xix) Robert Carbonaro, who serves as CEO, UDP and head of the Agent's investment banking activities and is a director and shareholder of the Agent, is also the brother to David Carbonaro. Robert Carbonaro indirectly controls approximately 11.00% of the voting securities of the Agent.
- (xx) Neil Gilday, who serves as a director and shareholder of the Agent, is also the portfolio manager of the Gravitas Partnerships. Mr. Gilday indirectly controls approximately 11.00% of the voting securities of the Agent. Mr. Gilday is also EVP of Corporate Development and Strategy of GFI.
- (xxi) Wes Roberts is a consultant of GFI and GMC and from time to time provides technical advice to the Agent. Mr. Roberts may also provide advice to GFI's affiliate Ubika as well as other GFI affiliates.
- (xxii) Bill Godson is an employee of GMC and from time to time provides technical advice to both the Agent, GFI and its affiliate Ubika, as well as other GFI affiliates. From time to time, Mr. Godson may also already hold investments in underlying investments prior to the investment being made by the Trust. In such instances, prior to the Trust investing in such assets, the Trustee and the Manager will undertake a risk and conflict of interest review of the holding and will implement trading restrictions on Mr. Godson to ensure that the Trust maintains client priority. Once an investment is made by the Trust, Mr. Godson will be precluded from becoming a direct investor in that investment during the period that the investment is held by the Trust.
- (xxiii) It is not expected that the Manager will purchase any Trust Units however, GFI and the directors and officers and/or key principals of the Manager may acquire Trust Units and, as a result, may be in a position to influence the Trust in a manner that may be counter to the interests of other Unitholders.
- (xxiv) GMC is considered to be the "promoter" of the Trust within the meaning of Applicable Securities Laws because GMC took the initiative in organizing and founding the Trust.
- (xxv) Notwithstanding the above, while there are potential conflicts of interest, the Agent and the Trust are of the view that the Agent and the Trust are independent of each other for the purposes of this Offering.
- (xxvi) **I wish to proceed with my subscription agreement for Trust Units of the Trust.**

DATED at _____, _____ this ____ day of _____, 201 ____.

Signature of Purchaser/Subscriber

Name of Purchaser/Subscriber

**SCHEDULE "C" TO THE
OFFERING MEMORANDUM OF
GRAVITAS SPECIAL SITUATIONS FUND**

Financial Statements of the Issuer

GRAVITAS SPECIAL SITUATIONS FUND
FINANCIAL STATEMENTS
PERIOD FROM JANUARY 24, 2018 (DATE OF
FORMATION) TO JANUARY 31, 2018

Independent Auditors' Report

To the Trustee of Gravitass Special Situations Fund:

We have audited the accompanying financial statements of Gravitass Special Situations Fund, which comprise the statement of financial position as at January 31, 2018, and the statements of changes in net assets attributable to holders of redeemable units and cash flows for the period from January 24, 2018 (date of formation) to January 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gravitass Special Situations Fund as at January 31, 2018, and its financial performance and its cash flows for the period from January 24, 2018 (date of formation) to January 31, 2018 in accordance with International Financial Reporting Standards.

MNP LLP

Toronto, Ontario
February 7, 2018

Chartered Professional Accountants
Licensed Public Accountants

GRAVITAS SPECIAL SITUATIONS FUND

Statement of Financial Position
(Expressed in Canadian dollars)
As at January 31, 2018

ASSETS

Cash	\$	<u>10</u>
		<u>10</u>

LIABILITIES

	<u>-</u>
	<u>-</u>

Net Assets Attributable to Holders of Trust Units \$ 10

Net Assets Attributable to Holders of Redeemable Units per Class

Class A (Note 7)	10
Class F	-
Class O	-
	<u>\$ 10</u>

Number of Redeemable Units Outstanding

Class A (Note 7)	1
Class F	-
Class O	-

Net Assets Attributable to Holders of Redeemable Units per Unit

Class A	\$	10
Class F		-
Class O		-

Commitments and indemnities (Note 5)

Approved on behalf of the Trust by the Trustee on February 7, 2018.

"Chris Guthrie"
Trustee

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

GRAVITAS SPECIAL SITUATIONS FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

	Net assets attributable to holders of redeemable units, beginning	Proceeds from redeemable units issued	Net assets attributable to holders of redeemable units, end of period
Class A	\$ _____ -	\$ _____ 10	\$ _____ 10
	\$ _____ -	\$ _____ 10	\$ _____ 10

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

GRAVITAS SPECIAL SITUATIONS FUND

Statement of Cash Flows

(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

Cash provided by (used in):

Financing Activities

Subscriptions	\$ <u>10</u>
Cash provided by financing activities	<u>10</u>
Increase in cash during the period	<u>10</u>
Cash and cash equivalents, end of period	\$ <u>10</u>

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

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

1. General information

Gravitas Special Situations Fund (the "Trust") is an unincorporated, limited purpose trust formed in the Province of Alberta on January 24, 2018. The address of the Trust's registered office is 333 Bay Street, Suite 1700, Toronto, Ontario, M5H 2R2.

The principal purpose of the Trust is to, among other things, acquire a diversified portfolio of investments, primarily directly and/or indirectly in the securities of micro, small and mid-cap private and public issuers located primarily in Canada and the United States in order to generate capital growth and all transactions related thereto.

Chris Guthrie, an individual resident in the City of Toronto, in the Province of Ontario, is the Trustee of the Trust. The Trust is governed by the terms of the Trust Indenture.

Beneficial interests in the Trust are divided into Trust Units of multiple Classes. There is no limit to the number of Trust Units or the number of Classes that may be issued subject to any determination to the contrary made by the Trustee. Each Trust Unit within a particular Class will be of equal value, however, the value of a Trust Unit in one Class may differ from the value of a Trust Unit in another Class. There are currently three Classes of Trust Units being offered for sale by the Trust, Class A Trust Units, Class F Trust Units and Class O Trust Units. In addition to the Trust Units described, the Trust may create additional Classes of Trust Units with such attributes and characteristics as the Trustee may determine, and which may be offered for sale to such persons as the Trustee may determine.

The Trustee has appointed Gravitas Securities Inc., a corporation incorporated under the laws of the Province of Alberta, to act as manager (the "Manager") of the Trust. The Manager is responsible for the management of the Trust pursuant to a manager agreement (the "Manager Agreement").

Under the Trust Indenture, the Trust will continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on January 24, 2018.

2. Basis of presentation and statement of compliance

These financial statements were prepared on a going concern basis, under the historical cost convention, except for financial instruments classified as fair value through profit or loss, which are measured at fair value. There has been no activity in the Trust since its formation on January 24, 2018 except for the issuance of one Class A Trust Unit as the initial trust unit. Accordingly, no statement of operations for the period has been presented.

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the Accounting Standards Board ("IASB").

The financial statements were approved and authorized for issue by the Trustee on behalf of the Trust on February 7, 2018.

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

3. Significant accounting policies

The financial statements are presented in Canadian dollars which is the Trust's functional and presentation currency. The following is the summary of the significant accounting policies followed by the Trust:

Adoption of narrow-scope amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements

The Trust has adopted the amended IAS 1, which emphasizes materiality by clarifying that specific and single disclosures that are not material do not have to be presented even if they are a minimum requirement of a standard.

Cash

Cash includes cash on hand and deposits held with a Canadian chartered bank and is recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value due to its short-term nature.

Use of estimates and judgments

In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of financial position of the Company. These estimates are based on information available as at the date of the statement of financial position. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

(a) Determining whether the Trust is an investment entity

The Manager of the Trust evaluated the facts and circumstances to determine whether the Trust meets the definition of an investment entity under IFRS 10-*Consolidated Financial Statements*. The Manager concluded that the Trust will have more than one investor, the investors are not related, and the investments of the Trust are being evaluated at their fair value each reporting period. The Manager determined that the Trust meets the definition of an investment entity and will apply the exception to consolidating its investments as required under IFRS 10.

(b) Fair value of financial assets

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

3. Significant accounting policies (continued from previous page)

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following is a summary of significant categories of financial instruments outstanding:

Cash	Fair value through profit or loss
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Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Trust determines fair values using valuation techniques. Cash is assessed as a level 1 financial instrument.

The Trust categorizes financial instruments held at fair value in accordance with the fair value hierarchy. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on non-observable dates.

Redeemable Units

The Trust's redeemable units provide unitholders with the right to redeem their interest in the Trust subject to the conditions below; to receive cash equal to their proportionate share of the series net asset value of the Fund on demand subject to certain conditions. These redeemable units involve multiple contractual obligations on the part of the Fund and therefore meet the criteria for classification as financial liabilities.

The Trust's obligation for net assets attributable to holders of redeemable units is measured at fair value through profit or loss with the fair value being the redemption amount as of the reporting date.

Units are redeemable at the demand of the Unitholders at a price determined and payable in accordance with the conditions attached to the Units.

Net Assets Attributable Redeemable Units per Unit

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

Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units per unit attributed to each Class of Units, divided by the weighted average number of units outstanding of that class during the period.

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

4. Unitholder entitlements

The Trust is authorized to issue an unlimited number of Trust units.

As at January 31, 2018, there was 1 Class A unit issued and outstanding.

The units of the trust have the following entitlements:

- (i) On the last business day of the fiscal year, an amount equal to the Net Income of the Trust for the year
- (ii) On the last business day of the fiscal year, an amount equal to the Net Realized Capital Gains of the Trust for the year
- (iii) Upon termination of the Trust, the remaining property of the Trust pro rata with the holders of their respective Class of Trust Units in accordance to the aggregate number of Trust Units of that Class owned by such Unitholder.
- (iv) On the last day of each fiscal year, an amount equal to the Net Income of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year, shall be payable to Unitholders of record on such day, pro rata in accordance with the number that Class of Trust Units then held (before giving effect to any issuances of Trust Units on such date). Further, on the last day of each fiscal year, an amount equal to the Net Realized Capital Gains of the Trust for the taxation year of the Trust ending in such fiscal year not previously paid or made payable in the fiscal year shall be payable to Unitholders of record on such date, pro rata in accordance with the number of Trust Units of that Class then held (before giving effect to any issuances of Trust Units on such date), except to the extent of Net Realized Capital Gains in respect of which the tax payable by the Trust would be refunded as a "capital gains refund" as defined in the Tax Act (and in applicable provincial tax legislation) for the taxation year of the Trust ending in such fiscal year. For greater certainty, it is the intention of the Trustee that sufficient Net Income and Net Realized Capital Gains of the Trust be paid or payable to Unitholders in each fiscal year so that the Trust is not liable to pay tax under Part I of the Tax Act for the taxation year of the Trust ending in such fiscal year.

Redemptions

Following the expiration of the Lock-up Period and subject to the discretion of the Trustee or the Manager all or any part of the Trust Units registered in the name of the Unitholder may be surrendered for redemption at any time at the demand of the Unitholder.

On each Redemption Date that is the last Business Day in any fiscal year after the date the Trust Unit was issued (or if such date is not a Business Day, then on the next Business Day thereafter), the Trustee or the Manager shall pay to each holder of Class A Trust Units, Class F Trust Units and/or Class O Trust Units who has requested redemption out of the Trust Property an amount equal to the Net Asset Value per Trust Unit of that Class on the Redemption Date on which the redemption occurs, multiplied by the number of Trust Units of that Class to be redeemed, together with the proportionate share attributable to such Trust Units of that Class of any distribution of Net Income and Net Realized Capital Gains of the Trust which has been declared and not paid prior to the Redemption Date and less any redemption or other fees and taxes payable by the Unitholder or required to be deducted.

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

4. Unitholder entitlements (continued from previous page)

Except as otherwise determined by the Manager, in its sole discretion, the maximum aggregate number of Trust Units that may be redeemed by the Trust on any applicable Redemption Date shall not exceed 25% of the total number of Trust Units issued and outstanding on such Redemption Date.

Redemption shall not be applicable to Trust Units tendered for redemption by a Unitholder, if the redemption of Trust Units will result in the Trust losing its status as a "mutual fund trust" for the purposes of the Income Tax Act.

The Trustee or the Manager, in its sole discretion, may suspend the redemption of Trust Units or a Class of Trust Units, or payments in respect thereof.

The Trustee may, in his sole discretion, require any Unitholder to redeem any or all Trust Units held by the Unitholder after giving thirty (30) Business Days prior written notice to the Unitholder. Any redemption made pursuant to this shall be made at a redemption price equal to the Class Net Asset Value of the Class of Trust Units being redeemed, plus any and all accrued distributions payable in respect of the Trust Unit being redeemed

5. Commitments and indemnities

Management fees

Pursuant to the terms of the Management Agreement, the Manager is entitled to a management fee (the "Management Fee") calculated as a percentage of the Net Asset Value of each Class of Units. The Management Fee may vary from Class to Class and will be deducted as an expense in the Statement of Comprehensive Income.

The Trust will pay the Manager a quarterly management fee equal to 1/4 of 1.0% of the Net Asset Value of the Class A Units, plus any applicable federal and provincial taxes, calculated and accrued on the last business day of every quarter (the "Valuation Date") and payable quarterly in arrears.

The Trust will pay the Manager a quarterly management fee equal to 1/4 of 1.0% of the Net Asset Value of the Class F Units, plus any applicable federal and provincial taxes, calculated and accrued on each Valuation Date and payable quarterly in arrears.

Subject to the discretion of the Manager, subscribers who purchase Class O Units must either: (i) enter into an agreement with the Manager which identifies the management fee negotiated with the subscriber which is payable by the subscriber directly to the Manager; or (ii) enter into an agreement with the Trust which identifies the quarterly management fee negotiated with the subscriber which is payable by the Trust to the Manager (including any applicable and federal and provincial taxes. In each circumstance, the Class O Management Fee, is calculated and accrued on each Valuation Date and payable quarterly in arrears.

In accordance with the Management Agreement, the Trust indemnifies the Manger and its directors, officers, employees and agents from and against any and all losses, claims, costs, damages and liabilities, including reasonable legal fees or disbursements reasonable incurred, brought or commenced against the Manger parties.

GRAVITAS SPECIAL SITUATIONS FUND

Notes to Financial Statements
(Expressed in Canadian dollars)

For the period from January 24, 2018 (date of formation) to January 31, 2018

5. Commitments and indemnities (continued from previous page)

Performance fees

Pursuant to the terms of the Management Agreement, and subject to the attainment of the High Water Mark, the Manager is entitled to a performance fee (the "Performance Fee") equal to 20% of the amount by which the Net Asset Value per Unit of the Class A and Class F Units as at the last business day of the fiscal year exceeds a threshold annualized increase of 5% over the High Water Mark.

The High Water Mark (the "High Water Mark") for a Unit as at any date means. (i) during the fiscal year in which the Unit is issued, its subscription price; (ii) during the subsequent fiscal year, the greater of its subscription price or Net Asset Value per Unit of that Class as of the first day of such subsequent fiscal year if the Manager received a Performance Fee in respect of such Unit for the prior fiscal year; and (iii) during all subsequent fiscal years, the higher of the Net Asset Value per Unit of that Class as at the first day of such fiscal year and any previous fiscal year.

In the case of Class O Units, the Performance Fee, if any, will be negotiated with each investor for Class O Units.

Trailer fees

Pursuant to the terms of the Agency Agreement, the Trust will pay trailer fees to registered dealers quarterly based on the subscription proceeds attributable to each of the Class A Trust Units held in each registered dealer's client accounts in an amount equal to 1% per annum. For clarity, no trailer fees are paid in respect of the Class F Trust Units or the Class O Trust Units. The trailer fees, plus any applicable taxes, will be calculated by the Trust on the last day of each quarter beginning with the quarter in which the Class A Trust Units were issued and pro-rated for the quarter of issue based on the number of days from and including the issue date to and including the last day of the quarter and for the quarter in which the Class A Trust Units were redeemed based on the number of days from and including the first day of the quarter to and including the redemption date. The trailer fees will be paid quarterly and will be payable for so long as the Class A Trust Units remain outstanding.

The Trust indemnifies the Agent, its Dealing Representatives, its affiliates and its directors, officers, employees, partners, agents, advisors and shareholders harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses incurred.

ITEM 13 - DATE AND CERTIFICATE

DATED February 20, 2018.

This Offering Memorandum does not contain a misrepresentation.

GRAVITAS SPECIAL SITUATIONS FUND, by its trustee, CHRIS GUTHRIE

" Chris Guthrie "

Trustee