Sprott

Amended and Restated Confidential Private Placement Memorandum

Resource Exploration and Development Private Placement, LP

A Delaware Limited Partnership

Resource Exploration and Development Private Placement QP, LP

A Delaware Limited Partnership

February 2, 2026

LIMITED PARTNERSHIP INTERESTS ("INTERESTS") OF RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT, LP (THE "MAIN PARTNERSHIP") AND RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT QP, LP (THE "PARALLEL PARTNERSHIP," COLLECTIVELY WITH THE MAIN PARTNERSHIP, AS THE CONTEXT REQUIRES, EACH A "PARTNERSHIP" OR COLLECTIVELY THE "PARTNERSHIPS") ARE BEING OFFERED ON A CONFIDENTIAL BASIS TO A LIMITED NUMBER OF QUALIFIED INVESTORS.

AN INVESTMENT IN AN INTEREST IN THE PARTNERSHIPS CARRIES CERTAIN RISKS, INCLUDING THE RISK OF LOSS OF PRINCIPAL. AN INVESTMENT IN AN INTEREST IN EITHER PARTNERSHIP IS NOT A BANK DEPOSIT AND IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THE PARTNERSHIPS ARE NOT REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"). IN ADDITION, AN INVESTMENT IN AN INTEREST IN EITHER PARTNERSHIP IS NOT ELIGIBLE FOR COVERAGE BY THE SECURITIES INVESTOR PROTECTION CORPORATION.

RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT, LP
RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT QP, LP

THIS AMENDED AND RESTATED CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, (THIS "MEMORANDUM"), OF RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT LP, A DELAWARE LIMITED PARTNERSHIP (THE "MAIN PARTNERSHIP") AND RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT QP, LP, A DELAWARE LIMITED PARTNERSHIP (THE "PARALLEL PARTNERSHIP," COLLECTIVELY WITH THE MAIN PARTNERSHIP, AS THE CONTEXT REQUIRES, EACH A "PARTNERSHIP" OR COLLECTIVELY THE "PARTNERSHIPS"), AMENDS AND RESTATES, AND SUPERSEDES AND REPLACES THAT CERTAIN CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF THE MAIN PARTNERSHIP DATED AS OF SEPTEMBER 2021 AND IS BEING PROVIDED ON A CONFIDENTIAL BASIS SOLELY FOR THE INFORMATION OF THOSE PERSONS TO WHOM IT IS TRANSMITTED SO THAT THEY CAN CONSIDER AN INVESTMENT IN THE LIMITED PARTNER INTERESTS (THE "INTERESTS") OF THE PARTNERSHIPS AS DESCRIBED HEREIN.

THE INTERESTS OF THE PARTNERSHIPS HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY. THIS IS A PRIVATE OFFERING MADE ONLY PURSUANT TO EXEMPTIONS PROVIDED BY SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), RULE 506 THEREUNDER AND APPLICABLE STATE SECURITIES LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AGENCY HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE INTERESTS ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK.

THIS MEMORANDUM CONSTITUTES AN OFFER IF DELIVERY OF THIS MEMORANDUM IS PROPERLY AUTHORIZED BY SPROTT US GENPAR LLC (THE "GENERAL PARTNER"). THIS MEMORANDUM HAS BEEN PREPARED BY THE GENERAL PARTNER SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED SALE OF THE INTERESTS, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER, IS PROHIBITED. ANY CONTRARY ACTION COULD PLACE THE PERSON OR PERSONS TAKING SUCH ACTION IN VIOLATION OF STATE AND FEDERAL SECURITIES LAWS.

STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE SET FORTH ON THE COVER PAGE OF THE INITIAL DISTRIBUTION OF THIS MEMORANDUM UNLESS STATED OTHERWISE AND NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO SUCH DATE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. THIS OFFERING CAN BE WITHDRAWN AT ANY TIME AND IS SPECIFICALLY MADE SUBJECT TO

THE TERMS DESCRIBED HEREIN. THE GENERAL PARTNER RESERVES THE RIGHT TO ACCEPT OR REJECT ANY SUBSCRIPTION TO PURCHASE THE INTERESTS BEING OFFERED HEREBY IN WHOLE OR IN PART.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE PARTNERSHIPS, THE GENERAL PARTNER, SPROTT ASSET MANAGEMENT USA, INC. (THE "INVESTMENT MANAGER") OR THEIR RESPECTIVE AFFILIATES, AGENTS AND EMPLOYEES OR FROM ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL AND TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN THE PARTNERSHIPS.

PROSPECTIVE INVESTORS INTERESTED IN PARTICIPATING IN THIS OFFERING SHOULD CONDUCT THEIR OWN INVESTIGATION OF THE PARTNERSHIPS, THE GENERAL PARTNER AND THE INVESTMENT MANAGER. EACH PROSPECTIVE INVESTOR IS HEREBY AFFORDED THE OPPORTUNITY TO OBTAIN ANY ADDITIONAL INFORMATION THAT IT OR ITS REPRESENTATIVE, REASONABLY REQUESTS RELATING TO THIS OFFERING, THE PARTNERSHIPS, OR ANY OF THE DOCUMENTS RELATED TO THIS OFFERING, PROVIDED THAT IT IS IN THE POSSESSION OF THE GENERAL PARTNER OR CAN BE ACQUIRED WITHOUT UNREASONABLE EFFORT OR EXPENSE AND THAT THE ADDITIONAL INFORMATION REQUESTED IS NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM.

EACH PROSPECTIVE INVESTOR AND ITS REPRESENTATIVE, IF ANY, WILL BE AFFORDED THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE GENERAL PARTNER OR ANY PERSON ACTING ON ITS BEHALF CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION CONCERNING THE PARTNERSHIPS INCONSISTENT WITH THE INFORMATION CONTAINED IN THIS MEMORANDUM.

THIS MEMORANDUM IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. REFERENCE IS MADE TO THE THIRD AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF THE MAIN PARTNERSHIP, THE LIMITED PARTNERSHIP AGREEMENT OF THE PARALLEL PARTNERSHIP AND THE OTHER AGREEMENTS, DOCUMENTS, STATUTES AND REGULATIONS REFERRED TO HEREIN FOR THE EXACT TERMS OF SUCH PARTNERSHIP AGREEMENTS AND OTHER AGREEMENTS, DOCUMENTS, STATUTES AND REGULATIONS.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND CANNOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

AN INVESTMENT IN EITHER PARTNERSHIP IS SUITABLE ONLY FOR INVESTORS WHO MEET THE INVESTOR QUALIFICATION STANDARDS — SEE "TERMS OF THE OFFERING – INVESTOR QUALIFICATIONS" — THOSE FOR WHOM AN INVESTMENT IN THE

PARTNERSHIPS DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN EACH PARTNERSHIP'S INVESTMENT PROGRAM. SEE "RISK FACTORS."

ALL REFERENCES IN THIS MEMORANDUM TO DOLLARS ($) ARE TO UNITED STATES DOLLARS.

NOTICE TO RESIDENTS OF FLORIDA

UPON THE ACCEPTANCE OF FIVE (5) OR MORE FLORIDA INVESTORS, AND IF THE FLORIDA INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE 1940 ACT, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), THE FLORIDA INVESTOR ACKNOWLEDGES THAT ANY SALE OF AN INTEREST TO THE FLORIDA INVESTOR IS VOIDABLE BY THE FLORIDA INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE FLORIDA INVESTOR TO THE ISSUER, OR AN AGENT OF THE ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE FLORIDA INVESTOR, WHICHEVER OCCURS LATER.

Resource Exploration and Development Private Placement, LP
Resource Exploration and Development Private Placement QP, LP

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The Third Amended and Restated Agreement of Limited Partnership of the Main Partnership,

The Agreement of Limited Partnership of the Parallel Partnership,

Subscription Agreement, and

Part 2A of Form ADV of Sprott Asset Management USA, Inc.

will be provided separately.

RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT, LP
RESOURCE EXPLORATION AND DEVELOPMENT PRIVATE PLACEMENT QP, LP

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INTRODUCTION

Resource Exploration and Development Private Placement, LP (the "Main Partnership") is a Delaware limited partnership organized on May 18, 2021. Resource Exploration and Development Private Placement QP, LP, is a Delaware limited partnership organized on May 18, 2021 (the "Parallel Partnership," collectively with the Main Partnership, as the context requires, each a "Partnership" or collectively the "Partnerships"). Sprott US GenPar LLC, a Delaware limited liability company (the "General Partner"), serves as the Partnerships' general partner. Sprott Asset Management USA, Inc., a California corporation (the "Investment Manager"), serves as the Partnerships' investment manager.

Both Partnerships' investment objective is to seek to achieve capital appreciation primarily through the successful origination and participation of private placement investments in companies engaged in exploring, developing, and producing natural resources. The Partnerships could also participate in publicly traded equity securities issued by such companies.

Limited partnership interests in the Partnerships (the "Interests") are offered to eligible investors in the United States through Sprott Global Resource Investments, Ltd. ("Sprott Global"), subject to prior subscription and certain other conditions. Limited partners of the Partnerships are referred to as "Limited Partners" and the General Partner and the Limited Partners, collectively, are referred to as "Partners." The General Partner reserves the right to reject any subscription in whole or in part in the General Partner's discretion.

This Amended and Restated Confidential Private Placement Memorandum (the "Memorandum") is not intended to provide a complete description of the Main Partnership's Third Amended and Restated Agreement of Limited Partnership (the "Main Partnership Agreement") and the Parallel Partnership's Agreement of Limited Partnership (the "Parallel Partnership Agreement" collectively with the Main Partnership Agreement, as the context requires, each a "Partnership Agreement" or collectively the "Partnership Agreements"). Prospective investors should review this Memorandum, the applicable Partnership Agreement, and the Subscription Agreement (the "Subscription Agreement"), in order to assure themselves that the terms of the applicable Partnership Agreement and the Partnerships' investment objective, methods and investment strategy are satisfactory to them. *All initially capitalized terms used herein and otherwise undefined have the meanings ascribed to them in the Partnership Agreements, as applicable. Whenever reference is made herein to the "discretion" of the General Partner (as defined below) as the general partner of the Partnerships, it means the General Partner's "sole and absolute discretion."*

* * * *

Copies of all agreements and documents described in this Memorandum, to the extent available, can be obtained by request of the General Partner. The General Partner will make itself available to prospective investors, or their purchaser representatives, to answer questions regarding the terms and conditions of the offering and to provide any additional information necessary to verify the accuracy of the information set forth herein, to the extent that the General Partner possesses such information or can acquire it without unreasonable effort or expense. Please direct inquiries to the General Partner via email to tkhounborine@sprott.com.

SUMMARY OF TERMS

The following section is a summary of the principal terms of an investment in the limited partnership interests ("Interests") in Resource Exploration and Development Private Placement, LP (the "Main Partnership") or Resource Exploration and Development Private Placement QP, LP (the "Parallel Partnership," collectively with the Main Partnership, as the context requires, each a "Partnership" or collectively the "Partnerships"), and is subject, and qualified in its entirety by reference, to the third amended and restated agreement of limited partnership of the Main Partnership, as may be amended from time to time (the "Main Partnership Agreement"), the agreement of limited partnership of the Parallel Partnership, as may be amended from time to time (the "Parallel Partnership Agreement" collectively with the Main Partnership Agreement, as the context requires, each a "Partnership Agreement" or collectively the "Partnership Agreements") and the form of Subscription Agreement for the Partnerships ("Subscription Agreement"). These documents will be provided separately. If there is any discrepancy between the Partnership Agreements and this summary, the terms of the applicable Partnership Agreement shall prevail. Unless defined below, each capitalized term herein has the meaning set forth in the Partnership Agreements. Whenever reference is made herein to the "discretion" of the General Partner (as defined below) as the general partner of the Partnerships, it means the General Partner's "sole and absolute discretion." Prospective investors are urged to review the applicable Partnership Agreement in its entirety prior to determining whether to invest in the applicable Partnership.

The Partnerships

Resource Exploration and Development Private Placement, LP, a Delaware limited partnership (the "Main Partnership"). Resource Exploration and Development Private Placement QP, LP, is a Delaware limited partnership organized on May 18, 2021 (the "Parallel Partnership," collectively with the Main Partnership, as the context requires, each a "Partnership" or collectively the "Partnerships"). Each person admitted to either Partnership is referred to as a "Limited Partner," and the Limited Partners and the General Partner are referred to as the "Partners."

Investment Objective

Each Partnership's investment objective is to achieve capital appreciation primarily through the origination and participation of private placement investments in companies engaged in exploring, developing, and producing natural resources. The Partnerships are also permitted to participate in publicly traded equity securities issued by such companies. The Investment Manager's (as defined below) or its affiliates' in-house technical experts and global network continuously endeavor to identify new mineral discoveries. The Investment Manager intends to leverage these efforts and its extensive industry experience to source investments on behalf of the Partners.

Mineral exploration is a cyclical and capital-intensive business. Small- and micro-capitalization companies typically fund their operations by issuing shares directly from their treasury via private placements (PIPEs). Providing opportunistic capital to capable exploration teams often offers investors favorable terms and an effective way to establish significant ownership in potential future discoveries. See "*Investment Program – Investment Objective and Strategy*" below.

Management

Sprott US GenPar LLC, a Delaware limited liability company, serves as the general partner (the "General Partner") of the Partnerships.

Sprott Asset Management USA, Inc., a California corporation (the "Investment Manager") and an affiliate of the General Partner, is engaged to provide investment management services to the Partnerships. The Partnerships' strategy is managed by an investment committee at the Investment Manager consisting of Eric Angeli, Jason Stevens, Mishka vom Dorp, and Sam Broom (the "Investment Committee"). Eric Angeli serves as the chairperson and is primarily responsible for managing the day-to-day operations of the Partnerships. It is possible that the chairperson will change at the discretion of the Investment Committee.

The Investment Manager is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended ("Advisers Act"). Registration does not imply a certain level of skill or training. A copy of Part 2A of the Investment Manager's Form ADV will be provided separately.

The Investment Manager will make all investment decisions on behalf of the Partnerships and will provide investment management services to the Partnerships, including sourcing, investigating, analyzing, structuring and negotiating acquisitions, and monitoring the performance of our royalty interests. See "*Management*" below.

Parallel Funds

The General Partner established the Parallel Partnership solely for investment by "qualified purchasers" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) and has the authority to organize additional parallel investment vehicles (collectively with the Parallel Partnership, the "Parallel Funds") solely for "qualified purchasers". Each Parallel Fund and the Partnership will pursue the same investment strategy on a pari passu basis, and, to the maximum extent reasonably practicable, will generally participate in suitable investments in accordance with the Investment Allocation Policy (as defined below).

In furtherance of the foregoing, the General Partner, in its reasonable discretion, can at any time cause (i) a Limited Partner that is qualified to participate in a Parallel Fund to exchange its interest in the Partnership for an economically equivalent interest in such Parallel Fund or vice-versa, and (ii) the Partnership can transfer to a Parallel Fund assets that represent the indirect interest in the Partnership investment attributable to those Limited Partners whose interests in the Partnership are exchanged for interests in such Parallel Fund. Prospective investors should be aware that the transactions described in the preceding sentence could constitute a "cross-trade" for purposes of the Advisers Act and that by subscribing for an interest in the Partnership, each such investor will be providing its advance consent to such transactions.

Minimum Capital Commitment

$250,000; however, the General Partner has the authority, in its discretion, to agree to a lower amount.

Investor Qualifications

Interests in each Partnership ("Interests") are being offered only to investors that are both (a) "accredited investors," (as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act")), and (b) either (i) "qualified clients" as defined in Rule 205-3 under the Advisers Act, (ii)

"qualified purchasers" as defined in defined in Section 2(a)(51) of the 1940 Act, or both (i) and (ii), as applicable.

Interests will not be registered under the Securities Act or the securities laws of any state or any other jurisdiction, nor is any such registration contemplated.

Each subscriber for an Interest ("Subscriber") will be required to execute a Subscription Agreement pursuant to which the Subscriber will agree to be bound by the applicable Partnership Agreement.

The General Partner reserves the right to reject a subscription for an Interest in whole or in part for any reason or no reason in its discretion. If a subscription is rejected in whole or in part, any payment remitted by the Subscriber with respect to such fully or partially rejected subscription request will be returned without interest to the account from which such payment came. See "*Terms of the Offering – Investor Qualifications*" below.

The Offering

Interests in the Partnerships are being offered privately in the United States through Sprott Global Resource Investments, Ltd., a broker-dealer registered with the U.S. Securities and Exchange Commission and member of the Financial Industry Regulatory Authority, Inc. ("Sprott Global"). Sprott Global is an affiliate of the General Partner, and certain of its registered representatives are also associated with the General Partner. Sprott Global is permitted to receive a portion of the Management Fee (as defined below) and Incentive Allocation (as defined below) as compensation for selling Interests in the Partnerships, as described in further detail below. See "*Terms of the Offering – Plan of Distribution*" below.

The Main Partnership held its initial closing on December 31, 2021. The Partnerships may admit additional Limited Partners (or permit existing Limited Partners to make additional Commitments (as defined below)) at any time after the initial closing as determined by the General Partner.

Each Subscriber must indicate in the Subscription Agreement the total amount of its Commitment, rounded to the nearest $1,000. The General Partner reserves the right to reject a subscription for an Interest for any reason or for no reason in its discretion. If a subscription is rejected, the payment remitted by the investor will be returned without interest.

"Business Day" means any day (other than a Saturday or Sunday or any other day on which banks are closed in New York, New York) or any other day determined by the General Partner, in its discretion.

See "*Terms of the Offering – Capital Contributions; Subscriptions for Interests*" below.

Term

The term of each Partnership is perpetual and will only terminate upon the occurrence of certain specified events set forth in the applicable Partnership Agreement.

Fiscal Year	The "Fiscal Year" of each Partnership is the calendar year.
Capital Calls	The capital commitments (each, a "Commitment") of the Partners could be called in one or more installments by the General Partner on no less than thirty (30) days' written notice unless otherwise set forth in the Partnership Agreements (each contribution, a "Capital Contribution"). Capital will be called by the General Partner on an "as-needed" basis from all Partners with unfunded Commitments on a *pro rata* basis in accordance with their respective Commitments.
Capital Accounts	Each Partnership will establish and maintain on its books a Capital Account ("Capital Account") for each Partner's Interest, into which its Capital Contributions will be credited and in which certain other transactions will be reflected.
Allocation of Gain and Loss	Subject to the General Partner's Incentive Allocation, allocations of net profit or loss (i.e., increases or decreases in each Partnership's Net Asset Value (as defined below)) as well as any current income and expenses (other than the Management Fee) derived during the applicable accounting period will be made to the Partners of the applicable Partnership in proportion to their respective Capital Account balances as of the start of such accounting period. Allocations will be adjusted for withdrawals, redemptions and contributions during the applicable accounting period. The Management Fee will be allocated solely to the Limited Partners and charged to their Capital Accounts (other than Limited Partners that are affiliates of the General Partner).
Determination of Net Asset Value	The General Partner is responsible for calculation of the "Net Asset Value" of the Partnerships. The "Net Asset Value" of each Partnership is calculated by adding the value of its investments, cash, and other assets and subtracting its accrued liabilities and expenses, all determined in accordance with GAAP (as defined below).
Valuation of Investments	The General Partner is responsible for the valuation of assets of the Partnerships and will generally utilize the following valuation methodology: • All exchange traded securities are valued using the last trade or closing sale price from the primary publicly recognized exchange. If no current closing sale price is available the mean of the closing bid and ask price (mid-price) will be taken. If no current day price is available, the previous Business Day's closing will be used. • The value of any security with limited or restricted resale conditions will be discounted by a percentage of the market value of the same class with no restricted resale conditions. The percentage discount for illiquidity is equal to 2% per month to a maximum of 12%. • Private companies are valued at cost and adjusted based on the last known transaction (e.g. subsequent issue price disclosed by the

company, subsequent purchase/sale of the security) as well as other available qualitative and quantitative information.

- Subscription receipts are valued based on the underlying security's market price as at trade date for the period between trade date and conversion date.

- Listed warrants are valued using last trade or closing price from the primary exchange. If no current closing price is available, the mean of the closing bid and ask price will be taken. If no current day price quotation is available, the previous Business Day's closing price will be used.

- Unlisted warrants are priced using Black Scholes pricing model. The model utilizes the security's underlying price valued at last trade or closing price from the primary exchange. If no current closing price is available, the mean of the closing bid and ask price will be taken. If no current day price quotation is available, the previous Business Day's closing price will be used.

Management Fees

The Management Fee equals the Applicable Fee Percentage (as defined below) of the value of each Limited Partner's pro rata share of the applicable Partnership's Net Asset Value balance valued on the first day of each calendar month (*i.e.*, the Partnership's Net Asset Value multiplied by such Limited Partner's Percentage Interest (as defined below)). Management Fees are paid monthly, in advance. The Management Fee for a month shall be paid to the General Partner (or the Investment Manager) within 15 Business Days after the start of such month.

The Management Fee for Capital Contributions made during a calendar month, if any, will be charged a pro-rata rate for such monthly period. The Management Fee is also adjusted for any mid-month redemptions. The General Partner is permitted to waive or reduce the Management Fee in respect of any Limited Partner in its discretion.

"Applicable Fee Percentage" means, with respect to any Limited Partner, as follows: (i) for Limited Partners with aggregate Commitments to the applicable Partnership of less than $500,000, an annualized rate of one and one-half percent (1.5%); (ii) for Limited Partners with Commitments to the applicable Partnership of at least $500,000 but less than $1,000,000, an annualized rate of one and one-quarter percent (1.25%); (iii) for Limited Partners with Commitments to the applicable Partnership of at least $1,000,000, an annualized rate of one percent (1.00%). As noted above, a Limited Partner's Management Fee will be based on such Limited Partner's *pro rata* share of the applicable Partnership's Net Asset Value, and not upon such Limited Partner's Commitment.

"Percentage Interest" means, with respect to any Partner as of any date, the amount of such Partner's Capital Account balance divided by the sum of the Capital Account balances of all Partners.

Other Fees

The Investment Manager is permitted to invest either Partnership's capital in one or more other investment vehicle or account managed by the Investment Manager or its affiliates (the "Sprott Funds"). If the Partnerships invest in a Sprott Fund, such Partnership will bear any expenses, management fees and performance allocations, or similar fees (collectively, "Other Fees"), imposed by such Sprott Fund and such Other Fees will not be applied to reduce the Management Fees or any similar fees otherwise owed by the Partnerships to the Investment Manager or its affiliates. Further, the Partnerships do not benefit from the Other Fees earned by the Investment Manager or its affiliates from the Sprott Funds. If the Partnerships are not invested in a Sprott Fund, they will not have the right to participate in the investments of such Sprott Fund. See "*Risk Factors – Conflicts of Interest – Investment in a Sprott Fund*" below.

Incentive Allocation

In respect of each Limited Partner's Interest, the General Partner will be entitled to a performance-based allocation (the "Incentive Allocation") on each Incentive Allocation Date (as defined below), equal to twenty percent (20%) of the excess (if any) of (i) the increase in the Net Asset Value of such Limited Partner's Capital Account attributable to such Interest with respect to the Investment Allocation Period (as defined below) ending on such Incentive Allocation Date, over (ii) any balance remaining in such Limited Partner's Loss Recovery Account (as defined below) attributable to such Interest as of the beginning of such Incentive Allocation Period.

The Incentive Allocation in respect of an Interest held by a Limited Partner, if any, shall be allocated as of the last day of each calendar year or, in connection with a mid-year redemption, the date of such redemption (each, an "Incentive Allocation Date").

"Incentive Allocation Period" means, with respect to an Interest held by any Limited Partner, the period commencing on the day after the end of the immediately preceding Incentive Allocation Period (or, in respect of the initial Incentive Allocation Period, commencing on the date that the Limited Partner made the capital contribution in respect of such Interest) and ending on the immediately following Incentive Allocation Date.

The General Partner, in its sole discretion, is permitted to elect to reduce, waive, assign, or otherwise share the Incentive Allocation with respect to any Limited Partner without providing notice to or obtaining the consent of any Limited Partner.

Distributions

It is not intended that either Partnership will make distributions to the Partners other than in connection with the liquidation of an Interest by a Partner. As such, it is intended that all proceeds derived by a Partnership from the disposition of such Partnership investment will be reinvested by the applicable Partnership (other than amounts that may be paid to a redeeming Partner). If the General Partner determines to make distributions to the Partners, such distributions are permitted to be made in cash or in-kind.

Redemptions

Each Interest in each Partnership is subject to a lock-up period ("Lock-Up Period") of twelve (12) months from the date of the Commitment made to acquire such Interest.

Upon the termination of the Lock-Up Period in respect of an Interest and subject to the Fund Level Gate (as defined below), the Limited Partner will have the right to redeem all or part of such Interest on the last Business Day of each calendar quarter (each, a "Redemption Date") on no less than 90 days' prior written notice to the General Partner.

The amount payable, by the applicable Partnership, for a redeemed Interest of a Limited Partner, or part thereof, will equal such Limited Partner's Capital Account balance attributable to such Interest (or part thereof attributable to the amount redeemed) related to such Partnership immediately after the close of business on the applicable Redemption Date, which Capital Account balance will be reduced by (i) any Management Fee or Incentive Allocation to be allocated to such Limited Partner's Capital Account as of such time and (ii) any fees or expenses associated with such redemption, as determined by the General Partner in its discretion (the "Redemption Price").

A Limited Partner redeeming less than 90% of his, her or its Capital Account balance attributable to the Interest being redeemed generally will be paid the Redemption Price within 30 calendar days after the effective Redemption Date. A Limited Partner redeeming at least 90% of his, her or its Capital Account balance attributable to the Interest being redeemed generally will be paid the Redemption Price as follows: (i) 90% of the estimated Redemption Price will be paid within 30 calendar days after the effective Redemption Date, and (ii) the balance of the Redemption Price will be paid, without interest, within 30 calendar days following, or as soon as practicable after, completion of the applicable Partnership's annual audit for such Fiscal Year (or such Limited Partner will be obligated to repay the applicable Partnership the excess, if any, of the amount previously paid over the amount to which such Limited Partner is entitled).

In the event the Partnership does not have cash available to make some or all such redemption payments, or the General Partner determines that it is prudent to retain cash on hand for other purposes, redemption payments are permitted to be made in-kind and/or delayed in full or in part until there is sufficient cash to fund all such redemption payments.

A Limited Partner is not permitted to make a redemption request for a partial redemption (i) of less than $250,000, or (ii) if, after implementation thereof, such Limited Partner would have a Capital Account balance attributable to the Interest being redeemed of less than $250,000. Once sent, a redemption request cannot be revoked without the General Partner's consent, which can be withheld in its discretion.

The General Partner reserves the right to establish such holdbacks or reserves ("Reserves") as it deems necessary, in its discretion, for contingent liabilities and other matters relating to the applicable Partnership (even if such Reserves are not otherwise required by generally accepted accounting principles, consistently

applied, in the United States ("GAAP")), and the Redemption Price that the Partner receives upon redemption will be reduced by such Reserves. The unused portion of any Reserves will be re-invested or distributed, without interest, at such time as the General Partner has, in its discretion, determined that such Reserves are no longer required by the Partnerships.

Notwithstanding the foregoing, distributions and redemptions payments can be made in cash, in-kind and/or any combination thereof, as determined by the General Partner in its discretion.

The General Partner is permitted to redeem all or a portion of its Capital Account or the Capital Account of any affiliate at any time in its discretion and reserves the right to waive any of the foregoing redemption restrictions with respect to any Limited Partner in its discretion.

The General Partner is permitted, in its discretion, for any reason or for no reason, to cause the Partnerships to redeem all or part of any Partner's Interest without prior notice.

The General Partner is permitted, in its discretion, to waive notice or other requirements relating to redemptions and reserves the right to permit redemptions to be made under such other circumstances and on such conditions as the General Partner, in its discretion, deems appropriate.

Fund Level Gate

In the event that the aggregate redemptions requested by the Partners of a Partnership with respect to a specific Redemption Date exceed twenty-five percent (25%) of such Partnership's Net Asset Value, the General Partner shall be entitled to reduce the redemption requests of such Partners on a pro rata basis so that the redemptions being made in respect of such Redemption Date do not exceed twenty-five percent (25%) of such Partnership's Net Asset Value (the "Fund Level Gate"). In the event a Partner's requested redemption amount is reduced due to the application of the Fund Level Gate, such redemption request shall be carried forward to the immediately following Redemption Date(s) until satisfied in full.

Suspensions

Notwithstanding the general provisions set forth above, redemptions are able to be suspended by the General Partner upon the General Partner's determination that market factors make the liquidation of assets in connection with a redemption impracticable (a "Suspension"). Such market factors include, but are not limited to, the following force majeure events: nationalization, change in law, governmental intervention, primary securities exchange closure, clearing house closure, market-wide pricing disruption, pricing disruption, security settlement disruption or any other event that results in the liquidation of the applicable Partnership's assets impracticable, as determined by the General Partner in its discretion.

In addition, the General Partner is permitted, in its discretion, to defer a redemption to a later date determined in its discretion. Upon any such deferral, the Capital Account balance pertaining to that deferred redemption will remain at risk until the date it is redeemed, which will be the effective redemption date with respect to such deferred amounts. The General Partner will provide notice

to all Limited Partners as soon as reasonably practicable after the commencement of a Suspension.

Partnership Expenses

The General Partner will be responsible for all ordinary administrative and overhead expenses (other than the Management Fees) of managing each Partnership ("Ordinary Operating Expenses"), including (i) any costs and expenses of providing to the Partnership office space, furniture, fixtures, equipment and facilities; (ii) the compensation of personnel of the General Partner; and (iii) fees to placement agents (if any).

Except as otherwise provided herein or in the Partnership Agreements, the Partnerships will bear such costs and expenses as the General Partner reasonably determines to be necessary, appropriate, advisable or convenient to carry on the business and purpose for which each such Partnership was formed (and will reimburse the General Partner and its affiliates for any such costs and expenses incurred by them on behalf of the applicable Partnership), including, without limitation, costs and expenses in connection with the acquisition, holding, restructuring, recapitalization and disposition of investments; legal, travel and due diligence expenses incurred in connection with Partnership investments, whether consummated or not; due diligence, appraisal, valuation and consulting expenses (which could include expenses related to the engagement of one or more consultants or advisors (including special advisors to the Partnership)) to provide special consulting or advisory services in connection with one or more Investments; expenses related to organizing entities through or in which Investments will be made; brokerage commissions and other charges for transactions in investments; custodial fees and expenses; administrative fees and expenses; audit and tax preparation and other tax-related fees and expenses; legal and accounting fees; any amendments to the Partnership Agreement; communications with Limited Partners; expenses relating to the organization, operation and winding-up of any special purpose vehicles; and litigation and other extraordinary and non-recurring expenses, if any (the foregoing, "Partnership Expenses").

To the extent that any Partnership Expenses are attributable solely to either the Main Partnership or the Parallel Partnership, such Partnership Expense shall be allocated solely to such vehicle. In the event that any Partnership Expenses are incurred for the mutual benefit of the Main Partnership and the Parallel Partnership, such Partnership Expenses shall be allocated in such amounts that the General Partner deems to be fair and equitable.

Transfer of Interests

A Limited Partner is not permitted to sell, assign or transfer any Interest without the prior written consent of the General Partner, which the General Partner can grant or withhold in its discretion.

Reports

It is the General Partner's intention to provide each Limited Partner with (i) annual audited financial statements within 120 days after the end of each calendar year ("Partnership Year"), (ii) semi-annual statements as soon as practicable after the end of the second calendar quarter of each Partnership Year, and (iii) quarterly tax information necessary for completion of U.S. federal income tax estimates and returns.

Indemnification and Exculpation

To the fullest extent permitted by applicable law, including ERISA and the Advisers Act, none of the General Partner and its shareholders, noteholders, partners, members, managers, owners, employees, directors, officers, advisors and agents, and their respective affiliates and controlling persons, any of their respective successors and assigns, and all persons who previously served in such capacities (each, an "Indemnified Person") will be liable, in damages or otherwise, to the Partnerships or to any of the Limited Partners in connection with their activities on behalf of, or their associations with, the Partnerships or any Partnership investment; provided that such Indemnified Person acted in a manner reasonably believed to be in or not opposed to the best interests of the relevant Partnership, and such conduct did not constitute fraud, gross negligence, willful misconduct or a willful breach of any material provision of the applicable Partnership Agreement.

The applicable Partnership, to the fullest extent permitted by applicable law, including ERISA and the Advisers Act, will indemnify and hold harmless each Indemnified Person from and against any and all liabilities, losses, expenses, damages, judgments, settlements, costs, claims, fees and related expenses (including attorneys' fees and expenses), as incurred, in connection with their activities on behalf of, or their associations with, such Partnership or any Partnership investment; provided that such Indemnified Person acted in a manner believed to be in or not opposed to the best interests of such Partnership and such conduct did not constitute fraud, gross negligence, willful misconduct or a willful breach of any material provision of the applicable Partnership Agreement. If any Indemnified Person becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with the Partnerships' operations or affairs or its investment in any Partnership investment, the Partnerships have the ability to, in the General Partner's discretion, periodically advance or reimburse such Indemnified Person for its reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith; provided, however, that such Indemnified Person will promptly repay to the applicable Partnership the amount of any such advanced or reimbursed expenses paid to it if it will ultimately be determined that such Indemnified Person is not entitled to be indemnified by the applicable Partnership (i) by a final and non-appealable decision of a court of competent jurisdiction; (ii) in an unreviewable decision by a panel of arbitrators, or (iii) by written advice of independent legal counsel selected by the General Partner.

The U.S. federal and state securities laws and ERISA impose liabilities under certain circumstances on persons who act in good faith, and, therefore, nothing in the Partnership Agreements waives or limits any rights that the applicable Partnership or any of the Limited Partners have against an Indemnified Person under those laws.

Certain Regulatory Matters

It is anticipated that the Main Partnership will not be registered as an investment company under the 1940 Act in reliance on Section 3(c)(1) and the Parallel Partnership and any subsequent Parallel Funds will not be registered as an investment company under the 1940 Act in reliance on Section 3(c)(7) thereof. Therefore, investors will not receive the protections of the 1940 Act, including the requirement of a board composed of a majority of disinterested directors (as

such term is defined under that Act), investor approval before fundamental investment policies can be changed and prohibitions on affiliated transactions.

Conflicts of Interest and Risks

Various potential and actual conflicts of interest will likely arise from the overall investment activities of the General Partner and its affiliates. An investment in the Partnerships involve other risks that a prospective Limited Partner should carefully evaluate before making a decision to invest in the Partnerships.

See "*Risk Factors*" and "*Risk Factors – Conflicts of Interest*" below.

Allocation of Investment Opportunities

Investment opportunities that are sourced by the Investment Manager and its affiliates that are suitable for the Partnerships and other investment vehicles and/or accounts managed by the Investment Manager and/or an affiliate will be allocated among the Partnerships and such other vehicles and/or accounts in accordance with the Sprott U.S.A. Global Allocation Policy, a copy of which will be provided upon request (the "Investment Allocation Policy").

Tax Considerations

Each Partnership will be classified for federal income tax purposes as a partnership and not as an association or publicly traded partnership taxable as a corporation. As a partnership, each Partnership generally will not be subject to U.S. federal income tax. Instead, each Limited Partner subject to U.S. tax will be required to include in computing its U.S. federal income tax liability its allocable share of the items of income, gain, loss and deduction of the Partnerships regardless of whether and to what extent distributions are made to such Limited Partner.

The Partnerships are permitted to employ leverage or engage in borrowing, which could result in the recognition of unrelated business taxable income ("UBTI") by tax-exempt organizations that invest in the Partnerships. There can be no assurance that the Partnerships' investment activities will not result in UBTI.

The Partnerships anticipate, although there can be no assurance, that they will not be considered to be engaged in a U.S. trade or business, and therefore that its net income and gains will not subject a non-U.S. Limited Partner to U.S. federal income tax.

Limited Partners that are not United States persons could be required to provide additional certifications to the Partnerships to avoid a 30% U.S. withholding tax under legislation commonly referred to as the U.S. "Foreign Account Tax Compliance Act" or "FATCA."

Dividends and interest each Partnership receives, and gains it realizes, on non-U.S. investments could be subject to income, withholding, or other taxes imposed by foreign countries and U.S. possessions ("foreign taxes") that would reduce the total return on its investments.

THE TAXATION OF PARTNERS AND EACH PARTNERSHIP IS EXTREMELY COMPLEX. EACH PROSPECTIVE INVESTOR (PARTICULARLY, ANY TAX-EXEMPT OR NON-U.S. INVESTOR) IS URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE TAX

CONSEQUENCES OF AN INVESTMENT IN THE APPLICABLE PARTNERSHIP.

See "*Tax Considerations*" below.

Employee Benefit Plan Considerations

An authorized fiduciary of an employee benefit plan proposing to invest in either Partnership should consider whether that investment is consistent with the terms of the plan's governing documents and applicable law. As discussed in greater detail below, the General Partner has the right, in its sole discretion, to permit or restrict investments in the Partnerships by "benefit plan investors," as that term is defined by ERISA. The General Partner presently intends to restrict investments in the Partnerships by benefit plan investors. Consequently, it is not expected that the assets of the Partnerships will be treated as "plan assets" of such benefit plan investors for purposes of the fiduciary responsibility standards and prohibited transaction restrictions of ERISA or the parallel prohibited transaction excise tax provisions of Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"). See "*Employee Benefit Plan Considerations*."

Auditor

KPMG. The General Partner reserves the right to change either Partnership's auditor in the General Partner's discretion.

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

Both Partnerships' investment objective is to seek to achieve capital appreciation primarily through the successful origination and participation of private placement investments in companies engaged in exploring, developing, and producing natural resources. Each Partnership is also permitted to participate in publicly traded equity securities issued by such companies. The Investment Manager's or its affiliates' in-house technical experts and global network continuously endeavor to identify new mineral discoveries. The Investment Manager intends to leverage these efforts and its extensive industry experience to source investments on behalf of the Partners.

Mineral exploration is a cyclical and capital-intensive business. Small- and micro-capitalization companies typically fund their operations by issuing shares directly from their treasury via private placements (PIPEs). Providing opportunistic capital to capable exploration teams often offers investors favorable terms and an effective way to establish significant ownership in potential future discoveries.

Investment Strategy

The Investment Manager believes that the investment objective is attainable through utilizing an existing extensive network and multiple years of experience financing dozens of junior mining companies in the global minerals sector, coupled with an in-house capacity to conduct sufficiently detailed geological reviews using public information. The Investment Manager will utilize what it believes is a rigorous and analytical approach to investing in the highest quality drill plays that offer potential for economic discoveries. Junior mining companies regularly seek new funding to support their drilling and other project advancement activities, most commonly via private placements of restricted securities. This allows an entry point into a position, occasionally offered at a discount to market or may include an accompanying warrant to purchase additional shares at a predetermined price for a period of time. Shares of target companies or existing holdings will be purchased on-market if an equity placement is unavailable, or if additional exposure is sought for valuation, sizing and/or increased upside potential reasons. As part of the due diligence process, the Investment Manager may undertake property visits, interview management, determine the incentive structure of key insiders, analyze the company's financial and technical disclosure, solicit opinions from internal and external independent analysts, and conduct appropriate valuation exercises. External risks and opportunities assessed ahead of making a positive investment decision include jurisdictional, macroeconomic and other relevant thematic trends.

Stock selection will be bottom-up, focusing on the identification of mineral deposits with drill results inadequately appreciated by the market. There will be a strong emphasis on overall geological quality and resource growth upside, managed by companies with high caliber executives and competent boards that are business savvy, aligned with shareholders, focused, hardworking and ethical. Every long equity investment will have demonstrable 'leveraged alpha' based on drill result interpretations, ideally with a 'beta tailwind' to enhance the potential return. The investment approach will be proactive, based primarily on extensive in-house research.

The Investment Manager's role is to monitor the performance of the investments in the Partnerships, review relevant public disclosure, maintain regular dialogue with issuer management in an effort to keep abreast of the latest issues and developments, and track important developments impacting the natural resources sector globally.

The Investment Manager intends to focus on each Partnership's need to realize projected returns on each of its investments within a projected timeframe. Further, the Investment Manager's role is to evaluate asset

management or strategic decisions with careful consideration to any impact on realization strategies. Typical exit routes for successful investments can include an acquisition of the company at a premium to market for cash and/or shares in a larger company with greater market liquidity, or selling shares via the market during positive liquidity windows due to the company delivering on their business plan, and/or seasonal/cyclical strength. The aim is not to trade, but exuberant valuations could provide profit-realization opportunities via on-market selling. The Investment Manager intends to sell failed equity investments as quickly as reasonably practicable via block trades or via the market. No representation is made that the strategy will be successful or that any particular results will be achieved.

Cash Management; Short-Term Investments

The General Partner retains broad authority to manage the cash flows to help ensure the Partnerships are appropriately positioned to implement each Partnership's investment strategy and meet current and anticipated obligations of the Partnership. This authority includes, but is not limited to, establishing reserves as necessary to satisfy the obligations of the Partnership. Although either Partnership could be fully invested at times, there can periods pending the use of proceeds or for defensive measures when the Partnership holds cash or invest in "Short-Term Investments," which can include (a) commercial paper, (b) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities ("U.S. Government Securities"), (c) short-term U.S. dollar bank deposits and bank obligations, including certificates of deposit, time deposits and bankers' acceptances, (d) securities issued by investment companies registered under the 1940 Act, or exempt from such registration, (e) repurchase agreements (overnight to 90-day agreements collateralized by U.S. Government Securities), (f) municipal obligations of a state or local government or its agencies or instrumentalities, (g) asset-backed and mortgage-backed securities, (h) other U.S. dollar corporate obligations, and (i) variable and floating rate securities where the interest could be adjusted at periodic intervals or be based on a benchmark such as (U.S. dollar) LIBOR.

The investment program is speculative and, therefore, an investment in the either Partnership entails substantial risks. See "*Risk Factors*."

THERE CAN BE NO ASSURANCE THAT EITHER PARTNERSHIP'S INVESTMENT OBJECTIVE WILL BE ACHIEVED. INVESTMENT RESULTS COULD VARY SUBSTANTIALLY OVER TIME.

MANAGEMENT[1]

The General Partner

The general partner of both Partnerships is Sprott US GenPar LLC, a Delaware limited liability company. The General Partner is an affiliate of the Investment Manager.

Investment Manager

The Investment Manager is Sprott Asset Management USA, Inc., which will be responsible for managing the business of the Partnership and the investment of the Partnerships' assets. The Investment Manager is an affiliate of the General Partner and is registered as an investment adviser under the Advisers Act. Registration does not imply a certain level of skill or training.

The biographies of Investment Committee members are set forth below:

Eric Angeli. Eric Angeli has been a portfolio manager and investment advisor with Sprott for nearly two decades carving out a specialty focus investing in early stage exploration and development of natural resources. Mr. Angeli manages capital for high net worth individuals and institutional investors wanting exposure to hard assets and commodities. Prior to joining Sprott, Mr. Angeli worked alongside Rick Rule at Global Resource Investments, a boutique broker-dealer, which was acquired by Sprott in 2011. He grew up in the suburbs of New Jersey and holds BA degrees in finance and international business from NYU Stern School of Business. Eric also holds the Series 7, 24, 63 and 65 securities licenses.

Jason Stevens. Jason J. Stevens, CFA, acts as Portfolio Manager of the Sprott Real Asset Value+ Strategy and an Investment Advisor with Sprott Wealth Management. Mr. Stevens is also a member of the Sprott Asset Management USA Investment Committee. Mr. Stevens has been with the firm since 2002. Originally recruited onto Sprott's trading desk, he has a robust understanding of the domestic and foreign equity, commodity, and currency markets. Alongside his investing and trading experience in the public markets, Mr. Stevens has spent over two decades advising clients on private equity and debt investments in natural resources-related businesses and partnerships.

Mr. Stevens is a CFA® charterholder and a member of both the CFA Society of San Diego and the CFA Institute. The CFA® designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis. Additionally, Mr. Stevens holds the Series 7, Series 63, and Series 65 securities licenses. Mr. Stevens has been featured on industry sites such as Reuters, ProActive Investors, and Financial Poise.

Sam Broom. Sam Broom joined Sprott in early 2016 having spent his early career working as an engineering geologist in the consulting industry, both in his native New Zealand and in Australia. During his time in Australia, Sam became heavily involved in the mining industry and gained extensive experience across a wide range of industry sub-sectors.

It was during his time in the Australian mining industry that Mr. Broom gained a passion for both the natural resources industries and the markets that support them. Now, he leverages his practical, firsthand knowledge of how these industries operate with his geological expertise and analytical skills honed through years working in the engineering sector, to find the best investment opportunities around the globe.

[1] The information contained herein is subject to change at any time without notice.

Mr. Broom also has a keen interest in charting and other forms of technical analysis, a discipline he believes is particularly useful when dealing with highly volatile junior mining stocks that are afflicted by extreme and rapid changes in sentiment. His investment philosophy focuses on combining a sound understanding of industry and company-specific fundamentals with technical analysis to fine-tune the timing of investment decisions in order to maximize portfolio returns.

Mr. Broom received his B.S. in Honors Geology from the University of Canterbury, Christchurch, New Zealand.

Mishka vom Dorp. Mishka vom Dorp joined Sprott in 2010 after earning his MBA in Finance. With over 15 years of experience, Mr. vom Dorp brings a deep understanding of natural resource markets, spanning early-stage exploration companies to multi-asset major producers. He has guided clients through multiple commodity cycles, helping them navigate the complexities of resource investing.

As an investment advisor, Mr. vom Dorp manages accounts for high-net-worth individuals and institutional investors. He serves on Sprott's Carlsbad Investment Committee and plays an active role in managing the Resource Alpha Separately Managed Account strategy.

Mr. vom Dorp holds an MBA in Finance and a BSB in International Business from Umeå School of Business and Economics in Sweden. He is a registered investment advisor and holds Series 7, 63, and 65 licenses.

RISK FACTORS

The purchase of an Interest in either Partnership is speculative and involves a high degree of risk, both to the types of investments contemplated by the Main Partnership and Parallel Partnership as well as each Partnership's ability to achieve its investment objectives and should only be undertaken by those investors capable of evaluating the risks of the applicable Partnership and bearing such risks. There can be no assurance that either Partnership's investment objective will be achieved. The possibility of partial or total loss of capital will exist and Limited Partners must be prepared to bear capital losses that could result from investments in either Partnership. An investment should only be made after consultation with independent qualified sources of investment, legal and tax advice. References to "Partnership" below shall refer to both the Main Partnership and the Parallel Partnership, unless the context requires otherwise. Potential investors should carefully consider the risks of an investment in the applicable Partnership, which include, but are not limited to, the following:

Risks Relating to the Natural Resources Sector

Natural Resources and Physical Commodities

Since the Partnership invests in securities of companies engaged in natural resources activities, the Partnership could be subject to greater risks and market fluctuations than funds with more diversified portfolios. The value of the Partnership's securities have the potential to fluctuate in response to market conditions generally, and will be particularly sensitive to the markets for those natural resources in which a particular issuer is involved. The values of natural resources have the potential to also fluctuate directly with respect to real and perceived inflationary trends and various political developments. In selecting the Partnership's investments, the Investment Manager will consider each company's ability to exploit its natural resources and secure any necessary regulatory approvals. A company's failure to perform well in any one of these areas, however, could cause its stock to decline sharply.

Natural resource industries throughout the world are subject to greater political, environmental and other governmental regulation than many other industries. Changes in governmental policies and the need for regulatory approvals could have an adverse effect on the products and services of natural resources companies. For example, many natural resource companies have been subject to significant costs associated with compliance with environmental and other safety regulations. Such regulations could also hamper the development of new technologies. The direction, type or effect of any future regulations affecting natural resource industries are virtually impossible to predict.

Volatility of Commodity Prices. The performance of certain of the Partnership's investments could be substantially dependent upon prevailing prices of gold, silver, copper, oil, uranium and other commodities. Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to any of the following factors: (i) relatively minor changes in the supply of and demand for each commodity; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of oil, gas, coal or metals in certain relevant markets; (v) the foreign supply of precious, base and industrial metals; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) weather conditions; (x) the effect of regulation on the production, transportation and sale of commodities; (xi) overall economic conditions; and (xii) a variety of additional factors that are beyond the control of the Partnership.

Precious Metal-Related Securities. The Partnership is permitted to invest in the equity securities of companies that explore for, extract, process or deal in precious metals (*e.g.*, gold, silver and platinum), and in asset-based securities indexed to the value of such metals. Such securities can be purchased when they are believed to be attractively priced in relation to the value of a company's precious metal-related assets

or when the values of precious metals are expected to benefit from inflationary pressure or other economic, political or financial uncertainty or instability. Based on historical experience, during periods of economic or financial instability the securities of companies involved in precious metals may be subject to extreme price fluctuations, reflecting the high volatility of precious metal prices during such periods. In addition, the instability of precious metal prices could result in volatile earnings of precious metal-related companies, which could, in turn, adversely affect the financial condition of such companies.

Regulatory Risk. As a general matter, the natural resources sector can be subject to comprehensive regulations, whether in the United States or non-U.S. jurisdictions. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect companies in which the Partnership invests and the prospects of the Partnership. There can be no assurance that (i) existing regulations applicable to companies in which the Partnership obtains an interest will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to such companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory authorities or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory authorities.

Regulatory Approvals. It is possible that the Partnership will invest in companies it incorrectly believes have obtained, or expect to obtain, all material approvals. There can be no assurance that a company in which the Partnership invests will be able to (i) obtain all required regulatory approvals that it does not yet have or that it could require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements, could prevent operation of the company or sales to third parties or could result in additional costs to a company.

In addition, the Partnership could require the consent or approval of applicable regulatory authorities in order to acquire or hold particular Investments. There is no guarantee that the Partnership will be able to obtain such necessary approvals.

Uncertainty of Estimates. Estimates of natural resources reserves (*e.g.,* hydrocarbon reserves or mineral reserves) by qualified engineers are often key factors in valuing certain natural resource companies. The process of making these estimates is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir or reserve. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the company owning such reserves.

Cyclicality of Natural Resource Markets. The markets for natural resources and entities whose businesses are dependent on natural resources and related activities are cyclical and, in many circumstances, dependent upon a variety of macroeconomic and political factors, some or all of which will be beyond the control of the managers of the companies in which the Partnership could invest, especially recessionary or inflationary economies and inflationary expectations in the United States and other countries. The values of mining and mining-related businesses are affected by changes in the supply and demand of the markets, both domestic and international. Supply and demand can fluctuate significantly over a short period of time due to changes in, for example, weather, international politics (including developments in Russia and surrounding areas and the Middle East), the rate of economic growth in the Pacific Rim (particularly in China and India),

conservation, the regulatory environment, governmental tax policies and the economic growth and stability of countries that consume or produce large amounts of energy resources. Interest rates, currency fluctuations, real or perceived market shortages, global conflicts, acts of terrorism, overproduction or overcapacity are additional factors that could result in price distortions. Such distortions could last for extended periods, thereby limiting investment opportunities as well as opportunities to exit previously consummated Investments at reasonable valuations.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the natural resources sector and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry.

The natural resources sector will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Partnership will likely invest in Investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on Investments or potential Investments. Compliance with such current or future requirements does not ensure that the operations of the Partnership's investments will not cause injury to the environment or to people under all circumstances or that the Partnership's investments will not be required to incur additional unforeseen expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a company in which the Partnership invests, and there can be no assurance that such companies will at all times comply with all applicable laws, regulations and permit requirements. Past practices or future operations of such companies could also result in material personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties could seek to impose personal liability on the limited partners of a partnership (such as the Partnership) subject to environmental liability.

Sovereign Risk. The right of certain companies in which the Partnership invests to extract mineral resources or related actions could be granted by or derive from approval by governmental entities and is subject to special risks, including the risk that the relevant governmental entity will exercise sovereign rights and take actions contrary to the rights of the Partnership or the relevant company under the relevant agreement. There can be no assurance that the relevant governmental entity will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of any Investment.

Technical Risk. Investments in the natural resources industry are subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events that adversely affect operations. While the Partnership intends to employ strategies to mitigate risk, there can be no assurance that any or all such risk can be mitigated.

Catastrophe Risk. The operations of natural resources companies are subject to many hazards inherent in the transporting, processing, storing, refining, distributing, mining and marketing a wide range of commodities and natural resources, such as: damage to equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons; and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution

or other environmental damage and could result in the curtailment or suspension of related operations. There can be no assurance that each company in which the Partnership invests will be fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect a company's operations and financial condition.

Construction Risk. In connection with any new development project or an expansion of a facility, an Investment could also face construction risks, including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) adverse weather conditions and unexpected construction conditions, (iv) accidents or the breakdown or failure of construction equipment or processes, and (v) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond the Partnership's control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on the Partnership. Construction costs could exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays could also result in an adverse effect on the scheduled flow of project revenues necessary to cover the scheduled debt service costs and/or result in lost opportunities, increased operations and maintenance expenses and damage payments for late delivery. Investments under development or Investments acquired to be developed could receive little or no cash flow from the date of acquisition through the date of completion of development and could experience operating deficits after the date of completion. In addition, market conditions could change during the course of development that make such development less attractive than at the time it was commenced. In addition, there are risks inherent in the construction work that give rise to claims or demands against a company from time to time.

Risks Relating to Foreign and Emerging Market Investments

Investments by the Partnership in foreign securities involve greater risks than investing in domestic securities because the Partnership's performance often depends on factors other than just the performance of a particular company.

Non-U.S. Investments. It is expected that the Partnership will invest the majority of its assets outside of the United States. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Partnership's non-U.S. Investments are denominated, and costs associated with conversion of investments from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities. Additionally, certain countries in which the Partnership is permitted to invest (such as emerging market countries) have in the past, and could in the future, experience political and social instability that could adversely affect the Partnership's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence

over many aspects of the private sector. The Partnership generally does not intend to obtain political risk insurance.

While the General Partner intends, where deemed appropriate, to manage the Partnership in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Partnership that are held in certain countries. See "*Tax Considerations*."

Undeveloped Infrastructure. In certain countries in which the Partnership is permitted to invest, capital and advanced technology could be limited. Delays in local postal, transport, banking or communications systems could cause the Partnership to lose rights, opportunities, entitlements or funds, and expose them to currency fluctuations.

Ability to Enforce Legal Rights. The effectiveness of the judicial systems will likely vary in the countries in which the Partnership invests. As a result, the Partnership could have difficulty in successfully pursuing claims in the courts of such countries, as compared to those of the United States or other developed countries. Further, to the extent that the Partnership is able to obtain a judgment but is required to seek its enforcement in the courts of one of these countries, there can be no assurance that such a court will enforce such a judgment.

Foreign Market Financial Disclosure. As compared to U.S. companies, foreign issuers generally disclose less financial and other information publicly and could be subject to less stringent and less uniform accounting, auditing and financial reporting standards. Foreign countries typically impose less thorough regulations on brokers, dealers, stock exchanges, corporate insiders and listed companies than does the United States, and foreign securities markets are often less liquid and more volatile than domestic markets. Investment in foreign securities involves higher costs than investment in U.S. securities, including higher transaction and custody costs as well as the imposition of additional taxes by foreign governments. In addition, security trading practices abroad could offer less protection to investors. Political or social instability, civil unrest, acts of terrorism and regional economic volatility are other potential risks that could impact an investment in a foreign security.

Emerging Market Risks. Investing in emerging markets around the world ("Emerging Market Countries"), involves substantial risk due to higher brokerage costs in certain countries; different accounting standards; thinner trading markets as compared to those in developed countries; the possibility of currency transfer restrictions; and the risk expropriation, nationalization or other adverse political economic developments. Political and economic structures in some Emerging Market Countries are undergoing significant evolution and rapid development, and such countries could lack the social, political and economic stability characteristics of developed countries. Some of these countries have in the past failed to recognize private property rights and have nationalized or expropriated the assets of private companies. The securities markets of Emerging Market Countries can be substantially smaller, less developed, less liquid and more volatile than the major securities markets in the United States and other developed nations. The limited size of many securities markets in Emerging Market Countries and limited trading volume in issuers compared to the volume in U.S. securities or securities of issuers in other developed countries could cause prices to be erratic for reasons other than factors that affect the quality of the securities. In addition, Emerging Market Countries' exchanges and broker-dealers are generally subject to less regulation than their counterparts in developed countries. Brokerage commissions, custodial costs and other transaction costs are generally higher in Emerging Market Countries than in developed countries. As a result, funds that invest in Emerging Market Countries, such as the Partnership, have operating costs that are higher than funds investing in other securities markets. Some Emerging Market Countries have a greater degree of economic, political and social instability than the United States and other developed countries. Such social,

political and economic instability could disrupt the financial markets in which the Partnership invests and adversely affect the value of its portfolio of Investments.

Emerging Market Currencies. Currencies of Emerging Market Countries have experienced devaluations relative to the U.S. dollar, and major devaluations have historically occurred in certain countries. A devaluation of the currency in which Investments are denominated will negatively impact the value of those securities in U.S. dollar terms. Emerging Market Countries have and could in the future impose foreign currency controls and repatriation controls. Depositary receipts are subject to many risks associated with investing directly in foreign securities including political and economic risks.

Other Foreign Market Risks. Other potential foreign market risks include exchange controls, difficulties in valuing securities, defaults on foreign government securities, and difficulties of enforcing favorable legal judgments in foreign courts. Moreover, individual foreign economies could differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, reinvestment of capital, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Certain economies rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. Foreign securities markets, while growing in volume and sophistication, are generally not as developed as those in the United States. Foreign countries may not have the infrastructure or resources to respond to natural and other disasters that interfere with economic activities, which could adversely affect issuers located in such countries.

Foreign Currency Risk. Investments in foreign companies are subject to currency risk. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency exchange rates could fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the Partnership and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits, political factors and government controls. Further, foreign currencies are subject to settlement, custodial and other operational risks. Currency exchange rates can be affected unpredictably by intervention by U.S. or foreign governments or central banks, or the failure to intervene, or by currency controls or political developments in the United States or abroad. Costs are incurred in connection with conversions between currencies. The Partnership is permitted, but is not required, to hedge against such currency risk.

Uncertain Economic, Social and Geopolitical Environment. The Investment Manager, the Partnership and the companies in which they invest could be adversely affected by economic, social and geopolitical developments in the countries in which they are invested and more broadly. The global economic and geopolitical climate is uncertain as acts of war, acts of terrorism, the threat of future acts of war or terrorism, growing social and political discord in the United States and elsewhere, economic sanctions, tariffs and other trade disputes, evolving international political developments, changes in government policies and taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken. This could have an adverse effect on the economy generally and on the ability of the Partnership to execute its strategies. A climate of uncertainty could reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions. The Partnership could be adversely affected by abrogation of international agreements and national laws which have created the market instruments in which the Partnership invests, failure of the designated national and international authorities to enforce compliance with the same laws and agreements, failure of local, national and international organization to carry out the duties prescribed to them under the relevant agreements, revisions of these laws and agreements which dilute their effectiveness or conflicting

interpretation of provisions of the same laws and agreements. Global developments related to international policy and trade have fueled doubts about the future of global free trade. The U.S. government, along with other governments, have indicated their intent to alter their approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. U.S. and global market and economic conditions could decrease the demand for consumer products and could materially and adversely affect (i) the ability of the Partnership, its portfolio companies or their respective affiliates to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with the Partnership or its affiliates, (iii) the Partnership's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) consumer spending and demand for the products and services offered by the Partnership's portfolio companies, (v) growth opportunity for the Partnership's investments, (vi) the Partnership's ability to exit its investments at desired times, on favorable terms, or at all, (vii) availability of reliable insurance on favorable terms or at all, and (viii) the ability of the Partnership's investors to meet their obligations to the Partnership promptly or at all. There can be no assurance as to the future direction of national and global market and economic conditions. The market outlook, trends, opportunities and other matters presented in the Partnership's private offering documents and governing agreements are based on various estimates and assumptions, including about future events. There can be no assurance that such market outlook, trends, opportunities and other matters will materialize.

Legal Risks. Laws and regulations in certain jurisdictions, particularly those relating to foreign investment and taxation, could be subject to change or evolving interpretation. Further, situations could arise where legal action is pursued in multiple jurisdictions.

Accounting Standards. Investments could be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in the U.S. Thus, the Partnership's ability to evaluate potential investments and to perform due diligence could be adversely affected. The financial information appearing on the financial statements of a company operating in one or more countries other than the U.S. may not reflect its financial position or results of operations in the way that they would be reflected if the financial statements had been prepared in accordance with U.S. generally accepted accounting principles.

General Market Risks

General Economic and Market Conditions. The success of the Partnership's investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political, environmental and socioeconomic circumstances. Furthermore, a sustained downturn in the United States or global economy (or any particular segment thereof) could adversely affect the Partnership's profitability, impede the ability of the Partnership's investments to perform under or refinance their existing obligations, and impair the Partnership's ability to effectively exit Investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Partnership in respect of certain Investments, which losses will likely be exacerbated by any use of leverage by the Partnership and any leverage in the capital structure of a company in which the Partnership invests.

Diseases, Pandemics and Epidemics. The impact of disease and epidemics, including coronavirus, could have a negative impact on the Investment Manager's business, the Partnership, its portfolio companies and their performance and financial position. Renewed outbreaks of existing pandemics or the outbreak of new epidemics or pandemics (or variants thereof) could result in health or governmental authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example,

such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, the Investment Manager's operations and those of the Partnership or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses could have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the Investment Manager's business, the Partnership and underlying portfolio investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated.

Volatility and Liquidity in Global Financial Markets. The financial crisis in the United States and global economies over the past several years, including the European sovereign debt crisis and the war in Ukraine, have resulted, and could continue to result, in an unusually high degree of volatility in the financial markets and the economy at large. Both domestic and international equity and fixed income markets have been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage and credit markets particularly affected. It is uncertain how long these conditions will continue.

In addition, any reduced liquidity in credit and fixed income markets could negatively affect many issuers worldwide. Illiquidity in these markets likely means there is less money available to purchase raw materials, goods and services, which could, in turn, bring down the prices of these economic staples. It could also result in issuers having more difficulty obtaining financing and ultimately a decline in their stock prices. The values of some sovereign debt and of securities of issuers that hold that sovereign debt have fallen. These events and the potential for continuing market turbulence could have an adverse effect on the Partnership. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region.

This reduced liquidity also could result in more difficulty in obtaining financing by the Partnership and the companies in which it invests. In addition, these conditions could lead to reduced demand for the securities in which the Partnership invests, which could in turn decrease the value of the Partnership's assets.

The U.S. federal government and certain foreign central banks have historically acted to calm credit markets and increase confidence in the U.S. and world economies. Certain of these entities have injected liquidity into the markets and taken other steps in an effort to stabilize the markets and grow the economy. The ultimate effect of these efforts is not yet known. Changes in government policies could exacerbate the market's difficulties and withdrawal of this support, or other policy changes by governments or central banks, could negatively affect the value and liquidity of certain securities.

The situation in the financial markets has resulted in calls for increased regulation, and the need of many financial institutions for government help has given lawmakers and regulators new leverage. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") has initiated a dramatic revision of the U.S. financial regulatory framework that is now expected to unfold over several years. The Dodd-Frank Act covers a broad range of topics, including (among many others) a reorganization of federal financial regulators; a process intended to improve financial systemic stability and the resolution of potentially insolvent financial firms; new rules for derivatives trading; the creation of a consumer financial protection watchdog; the registration and additional regulation of private fund managers; and new federal requirements for residential mortgage loans. Instruments in which the Partnership invests, or the issuers of such instruments, could be affected by the new legislation and regulation in ways that are unforeseeable. Many of the implementing regulations have not yet been finalized. Accordingly, the ultimate impact of the Dodd-Frank Act is not yet certain.

Because the situation in the markets is widespread and largely unprecedented, it could be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market conditions.

Inflation. Certain countries, including the United States, have experienced and could in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which the Partnership could invest. Inflation rates could continue to increase in the future, and government measures to control inflation, adopted presently or in the future, remain uncertain. Measures taken by the governments to control inflation potentially include maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and hindering economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have contributed materially to economic uncertainty in many countries. Inflation could significantly increase the Partnership's costs of operations, adversely impact the availability of suitable investments or the performance thereof, and otherwise impact the Partnership's financial condition. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Partnership.

Geopolitical Conflict. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their ultimate effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Partnership or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. This impact could include reductions in future revenue and growth of obligors, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of the Partnership to source, diligence and execute new investments and to manage and exit investments in the future. Developing and further governmental actions (military or otherwise) could cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy of the Partnership, all of which could adversely affect the Partnership's ability to fulfill its investment objectives.

Social Unrest. Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level. Such activism has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID-19 pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could have a material adverse effect on the Partnership's investments.

U.S. Dollar Denomination of Interests. Interests are denominated in U.S. dollars. Investors subscribing for the Interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency could have an adverse effect on the value, price or income of the investment to such investor. It is possible that there are foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions where this Memorandum is being issued. Each prospective investor should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the Interests.

Risks Relating to the Partnership's Investments

Private Investment in a Public Entity ("PIPE") Transaction. PIPE investors purchase securities directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company's common stock. Because the sale of the securities is not registered under the Securities Act, the securities are "restricted" and cannot be immediately resold by the investors into the public markets. Until the Partnership can sell such securities into the public markets, the Partnership's holdings of such stock will be less liquid, and any sales will need to be made pursuant to an exemption under the Securities Act (and thus may only be sold at a discount to the public market price).

No Assurance of Investment Return. The Partnership cannot provide assurance that it will be able to choose, make, and realize investments in any particular company or portfolio of companies. There can be no assurance that the Partnership will be able to generate returns for its Limited Partners or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Partnership. Accordingly, an investment in the Partnership should only be considered by persons who can afford a loss of their entire investment.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments that fall within the Partnership's investment objective and investment strategies is highly competitive and involves a high degree of uncertainty and will be subject to market conditions. The Partnership will be competing for investments with other investment funds, as well as individuals, companies, financial institutions and other investors. Further, over the past several years, a number of investment funds have been formed (and many existing funds have grown in size) for the purpose of investing (or that can otherwise invest) in natural resources companies. Additional funds with similar investment objectives could be formed in the future. There can be no assurance that the Partnership will be able to locate, complete and exit investments that satisfy the Partnership's investment objective, or realize upon their values, or that it will be able to fully invest its capital.

Reliance on Company Management. The day-to-day operations of each Investment the Partnership makes in a company will be the responsibility of the management team of such company. Although the Investment Manager will be responsible for monitoring the performance of each Investment and intends to attempt to identify strong management teams, there can be no assurance that the existing management team, or any successor, will be able to operate the company successfully. Additionally, companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. There can be no assurance that companies will be able to attract, develop, integrate and retain suitable members of its management team. As a result, the Partnership could be adversely affected.

Control Person Liability. The Partnership, as well as affiliates of the Partnership, could have controlling interests in a few companies. The exercise of control over a company could impose additional risks of liability for environmental damage, defects, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability for which the limited liability characteristic of business ownership could be ignored. If these liabilities were to arise, the Partnership could suffer significant losses. The exercise of control over a company could expose the assets of the Partnership to claims by the security holders and/or creditors of such company. While it is intended that the Partnership will be managed to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Risk of Limited Number of Investments; Concentration of Investments in the Natural Resources Sector. It is possible that the Partnership's portfolio is not diverse. Accordingly, the aggregate return of the

Partnership could be substantially adversely affected by the unfavorable performance of even a single Investment. To the extent the Partnership concentrates Investments in a particular issuer, security or geographic region, its Investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Non-Controlling Investments. The Partnership is expected to hold a non-controlling interest in a number of companies and, therefore, could have a limited ability to protect its position in such Investment. In circumstances where the Partnership holds a non-controlling Investment, the Partnership will typically be significantly reliant on the existing management team and it is possible that the Investment Manager will not have any ability to influence the management of the company.

Investments with Third Parties. The Partnership is permitted to co-invest with third parties through joint ventures or other entities. Such Investments involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor could have financial difficulties, resulting in a negative impact on such Investment, could have economic or business interests or goals that are inconsistent with those of the Partnership, or could be in a position to take (or block) action in a manner contrary to the Partnership's investment objective. In addition, the Partnership could in certain circumstances be liable for the actions of its third-party co-investors. In those circumstances where such third parties involve a management group, such third parties could receive compensation arrangements relating to such Investments, including incentive compensation arrangements.

Unspecified Investments. Investors are relying upon the ability of the Investment Manager to identify, structure and implement Investments consistent with the Partnership's investment objective and policies. It is possible that the Investment Manager will be unable to find a sufficient number of attractive opportunities to meet the Partnership's investment objective. The success of the Partnership will depend on the ability of the Investment Manager to identify suitable Investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of Investments.

Illiquid and Long-Term Investments. The return of capital and the realization of gains, if any, from an Investment generally will occur only upon the partial or complete disposition of such Investment. While an Investment can be sold at any time, it is not generally expected that this will occur for one or more years after the Investment is made. Although most Investments are anticipated to be publicly traded, it is possible that there will not be a public market for certain Investments held by the Partnership. Therefore, no assurance can be given that, if the Partnership is determined to dispose of a particular Investment held by the Partnership, it could dispose of such Investment at a prevailing market price, and there is a risk that disposition of such Investments will require a lengthy time period or result in distributions in kind to investors. In some cases, the Partnership could be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. As a result, and notwithstanding the redemption rights of the investors, each investor must be prepared to bear the risks of owning Interests for an extended period of time without receiving a return of capital and/or redemption proceeds.

Risks Relating to Due Diligence of and Conduct at Companies. Before making Investments, the Investment Manager will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each Investment. Such due diligence often entails evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are permitted to be involved in the due diligence process to varying degrees depending on the type of investment. When conducting due diligence and making an assessment regarding an Investment, the Investment Manager will rely on the resources available to it, including information provided by the target of the Investment and, in some circumstances, third-parties. The due diligence investigation that the Investment Manager carries out with respect to any investment opportunity might not reveal or highlight all relevant facts that are necessary

or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the Investment being successful.

Change of Law Risk. In addition to the risks regarding regulatory approvals, it should be noted that government counterparties or agencies have the discretion to change or increase regulation of a company's operations, or implement laws or regulations affecting the Investment's operations, separate from any contractual rights it has. A company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by a company or gains recognized by the Partnership on its Investment in such company that could impact the company and, as a result, Partnership's return on its Investment. Because the Partnership intends to invest in natural resource companies operating outside the United States, there is a risk that a foreign government will make decisions or enact laws that adversely affect the Partnership and its Investments.

Financial Leverage. The Partnership's investments are expected to include companies whose capital structures have significant financial leverage. These companies are likely subject to restrictive financial and operating covenants. The leverage could impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such Investments will increase the exposure of the companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the company, or its industry. Moreover, any rise in interest rates could significantly increase interest expense, causing losses and/or the inability to service its debt obligations. If a company cannot generate adequate cash flow to meet debt obligations, the Partnership could suffer a partial or total loss of capital invested in the company.

In addition to any leverage used by the Partnership's underlying Investments, the Partnership is permitted to use leverage, including borrowing to buy securities on margin or make other investments. Although borrowings by the Partnership have the potential to enhance overall returns that exceed the Partnership's cost of funds, it will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Partnership's cost of borrowing. In the event of a sudden, precipitous drop in value of the Partnership's assets occasioned by a sudden market decline, the Partnership might not be able to liquidate assets quickly enough to meet its margin or borrowing obligations.

Contingent Liabilities on Disposition of Companies. In connection with the disposition of an Investment, the Partnership could be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of any business and could be responsible for the content of disclosure documents under applicable securities laws. It could also be required to indemnify the purchasers of such Investment or underwriters to the extent that any such representations or disclosures ultimately prove to be inaccurate.

Uncertainty of Estimates and Financial Projections. Estimates or projections of market conditions, commodity prices and supply and demand dynamics are key factors in evaluating potential investment opportunities and the Partnership's investments and related assets. These estimates are subject to wide variances based on changes in underlying commodity prices and technical assumptions. The capital structure of a company will generally be structured on the basis of financial projections for such company. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results could vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Investments in Less Established Companies. The Partnership will invest a portion of its assets in the securities of less established companies. Investments in such early stage companies involve greater risks than generally are associated with Investments in more established companies. Such securities could be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also often have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. There can be no assurance that any such losses will be offset by gains (if any) realized on the Partnership's other Investments.

Public Company Holdings. The Partnership's investment portfolio is expected to be substantially comprised of securities issued by publicly held companies. Such Investments are likely subject to risks including, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Partnership to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Additional Capital. Certain of the Partnership's investments, especially those in a development or "platform" phase, are expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular company and the then current state of financing markets. Each such round of financing is typically intended to provide a company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company could have to raise additional capital at a price unfavorable to the existing investors, including the Partnership. In addition, the Partnership could need to make additional investments or exercise warrants, options, or convertible securities that were acquired in the initial Investment in such company in order to preserve the Partnership's proportionate ownership when a subsequent financing is planned, or to protect the Partnership Investment when such company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Partnership or any company. There can be no assurance that companies will be able to predict accurately the future capital requirements necessary for their success or that additional funds will be available from any source when needed.

Emerging Markets. The Partnership is permitted to invest in companies located in emerging markets. Many emerging markets have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets of certain emerging economies.

Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and could continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and could continue to be adversely affected by economic conditions in the countries with which they trade. The economies of countries with emerging markets are often predominantly based on only a few industries or dependent on revenues from particular commodities.

In many cases, governments of emerging markets continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, could affect companies doing business in these jurisdictions. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other

similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Partnership to suffer a loss of any or all of its investments.

Many emerging markets are undergoing important political and economic changes that are making their economies more free-market oriented. However, there could be future political and economic changes that return the situation to closed and centrally controlled economies with price and foreign exchange controls. Many of these countries lack the legal, structural and cultural basis for the establishment of a dynamic, orderly, market-oriented economy. Many of the promising changes that are being seen at present could be reversed, causing a significant impact on the Partnership's investment returns.

The laws and regulations of many emerging markets can be subject to frequent changes as a result of economic, social and political instability. The level of legal protections customary in countries with developed securities markets are often not available or, where the legal and regulatory framework is in place, enforcement could be inadequate or insufficient. There can be no assurance that adverse changes in laws and regulations will not cause the Partnership to suffer a loss of any or all of its Investments.

Legal and Structural Risks

OFAC and FCPA Considerations. Economic sanction laws in the United States and other jurisdictions could prohibit the Partnership, the General Partner, the Investment Manager and their professionals from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list is amended from time to time, can be found on the OFAC website at http://www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions could significantly restrict the Partnership's investment activities in certain emerging market countries.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. Each of the General Partner, the Investment Manager and the Partnership are committed to complying with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Partnership could be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations could make it difficult in certain circumstances for the Partnership to act successfully on potential Investments and for Investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the U.S. Securities and Exchange Commission have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While the General Partner and the Investment Manager have developed and implemented policies and procedures designed to ensure compliance by it and its personnel with the FCPA, such policies and procedures might not be effective in all instances to prevent violations. In addition, in spite of the General Partner's, the Investment Manager's policies and procedures, affiliates of companies in which the Partnership invests, particularly in cases where the Partnership or another sponsored fund or vehicle does not control such company, could engage in activities that could result in FCPA violations. Any determination that the General Partner, the Investment Manager or the Partnership has violated the FCPA or other applicable anti-corruption laws could subject the General Partner, the

Investment Manager, the Partnership and their principals to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the General Partner's and/or the Investment Manager's business prospects and/or financial position, as well as the Partnership's ability to achieve its investment objective and/or conduct its operations.

Indemnification; Absence of Recourse. To the fullest extent permitted by applicable law, including ERISA and the Advisers Act, the Partnership is required to indemnify Indemnified Persons from and against any and all liabilities, losses, expenses, damages, judgments, settlements, costs, claims, fees and related expenses (including attorneys' fees and expenses), as incurred, in connection with their activities on behalf of, or their associations with, the Partnership or any Investment; provided that such Indemnified Person acted in a manner believed to be in or not opposed to the best interests of the Partnership and such conduct did not constitute fraud, gross negligence, willful misconduct or a willful breach of any material provision of the Partnership Agreement. Such liabilities could be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Partnership would be payable from the assets of the Partnership. Furthermore, as a result of the provisions contained in the Partnership Agreement, the Limited Partners could have a more limited right of action against the Indemnified Persons in certain cases than they would in the absence of such limitations. It should be noted that the General Partner has the ability to cause the Partnership to purchase insurance for the Partnership, the General Partner, the Investment Manager and their respective members and employees.

Limited Operating History. There can be no guarantee of the Partnership's success and/or ability to implement its investment objective. Accordingly, an investment in the Partnership should only be considered by persons who can afford a loss of their entire investment.

Absence of Regulatory Oversight. Although the Investment Manager is registered as an investment adviser under the Advisers Act, the Partnership will not be registered as an investment company under the 1940 Act in reliance on Section 3(c)(1) thereof. Accordingly, Limited Partners are not afforded the protections of the 1940 Act.

No Market for Interests; Restrictions on Transfers. The Interests have not been registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any other U.S. or foreign jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws, or an exemption from such registration thereunder is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be affected. There is no public market for the Interests and one is not expected to develop. A Limited Partner will not be permitted to assign, sell, exchange, mortgage, pledge or transfer any of its interest, rights, or obligations with respect to its Interest, except by operation of law, without the prior written consent of the General Partner. Limited Partners must be prepared to bear the risks of owning Interests for an extended period of time.

Effect of Fees and Expenses on Returns. The Partnership will pay Management Fees and will bear Partnership Expenses as described in the Partnership Agreement, which will reduce the actual returns to Partners. Such Management Fees and Partnership Expenses are payable whether or not the investments of the Partnership are profitable. In addition, Partnership Expenses generally will be borne pro rata by the Partners (in proportion to their respective percentage interest in the Partnership); provided that, expenses could be specially allocated among the Partners on any other basis that the General Partner determines, in its discretion, is clearly more equitable in light of the purposes for which such expenses were incurred. Because Management Fees are payable during wind-down and liquidation periods, the General Partner has an incentive to extend such periods.

Redemptions Paid In-Kind. Redemption payments are permitted to be paid by the Partnership to a redeeming Partners in the form of securities, in lieu of cash, in certain circumstances. The risk of loss and delay in liquidating these securities will be borne by the redeeming Partner, with the result that they could receive less cash than they otherwise would have received on the date of the withdrawal.

Reliance on the Investment Manager. The Investment Manager will have exclusive responsibility for the Partnership's investment activities. The Limited Partners will not be able to make investment or any other decisions concerning the management of the Partnership. Limited Partners have no rights or powers to take part in the management of the Partnership or make investment decisions and will not receive any of the underlying Investment's financial information that is generally available to the General Partner and the Investment Manager. The Investment Manager will generally be responsible for structuring, negotiating and purchasing, financing and eventually divesting Investments on behalf of the Partnership. Accordingly, no person should purchase an Interest unless such person is willing to entrust all aspects of the management of the Partnership to the Investment Manager.

Reliance on Management Team. Decisions regarding the management and affairs of the Partnership will be made by the Investment Manager. As such, the success of the Partnership will depend substantially upon the skill and expertise of the investment professionals identified in this Memorandum. Accordingly, no person should purchase an Interest unless such person is willing to entrust the management of the Partnership and its Investments to such investment professionals. In addition, the loss of one or more of these investment professionals could have a substantial impact on the ability of the Partnership to successfully execute the Partnership's investment strategy and objective. See "*Management.*"

Limited Access to Information. Limited Partners' rights to information regarding the Partnership will be limited as specified in the Partnership Agreement. In particular, it is anticipated that the General Partner will obtain certain types of material information with respect to the Partnership's investments that will not be disclosed to Limited Partners because such disclosure is prohibited for contractual, legal or similar obligations, which could be outside of the General Partner's control, or because the level of detail is deemed inappropriate or unnecessary by the General Partner in its sole discretion. Decisions by the General Partner not to present certain information could have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its Interest could have difficulty in determining an appropriate price for such Interest. Decisions not to present information also could make it more difficult for Limited Partners to monitor the General Partner and its performance.

It is also expected that the General Partner will from time to time confirm factual matters to prospective Limited Partners, make statements of intent or expectation to such Limited Partners or acknowledge statements by such prospective Limited Partners that relate to the Partnership's activities pertaining thereto in one or more respects. In addition, the General Partner could from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more Limited Partners as part of an overall firm relationship. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any right or benefit, and therefore will not be subject to the "most favored nations" process or election by the Limited Partners (see also "*Risk Factors — Side Letters*" below), and as a result other Limited Partners will not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Partnership or that such arrangements will not influence the operations of the Partnership.

In response to such questions and requests and in connection with due diligence meetings, Side Letter compliance and other communications, the Partnership and the General Partner in its discretion could provide additional information to certain Limited Partners and prospective Limited Partners that is not distributed to, or generally known by, other Limited Partners and prospective Limited Partners. Such

information could affect a prospective Limited Partner's decision to invest in the Partnership or take actions or make decisions as a Limited Partner (including an action or decision which, in the absence of such information, other Limited Partners do not take).

Side Letters. The General Partner (on behalf of the Partnership) is permitted to enter into Side Letters with one or more Limited Partners that provide such Limited Partners with additional or different rights than such Limited Partners have pursuant to this Memorandum and the Partnership Agreement. As a result of such Side Letters, certain Limited Partners will receive additional benefits that other Limited Partners will not receive. Any rights or terms so established in a Side Letter with a Limited Partner will govern solely with respect to such Limited Partner (but not any of such Limited Partner's assignees or transferees unless so specified in such Side Letter) and will not require the approval of any other Limited Partner notwithstanding any other provision of the Partnership Agreement and, for the avoidance of doubt, matters arising under any such Side Letter are considered matters contemplated in the Partnership Agreement and the limitation on liability and indemnification provisions therein shall apply equally to any such Side Letter. The General Partner (on behalf of the Partnership) will not be required to notify all of the other Limited Partners of any such Side Letters or any of the rights or terms or provisions thereof. In addition, the General Partner (on behalf of the Partnership) will not be required to offer such additional or different rights or terms to any or all of the other Limited Partners (including the transferees of a Limited Partner's Interests) except to the limited extent set forth in the Partnership Agreement. The General Partner (on behalf of the Partnership) is permitted to enter into such Side Letters with any party as the General Partner could determine in its sole and absolute discretion at any time. The other Limited Partners will have no recourse against the Partnership, the General Partner, Investment Manager or any of their respective affiliates in the event that certain Limited Partners receive additional or different rights or terms as a result of such Side Letters.

Confidentiality. The Partnership Agreement contains confidentiality provisions intended to protect proprietary and other information relating to the Partnership and its investments. To the extent that such information is publicly disclosed, competitors of the Partnership and others could benefit from such information, thereby adversely affecting the Partnership, its portfolio investments, the General Partner, the Investment Manager, and the economic interests of the Limited Partners. Further, breaches of confidentiality could affect the Partnership's ability to access investments, and Limited Partners could be subject to penalties if they disclose such confidential information.

Public Disclosure Obligations. The Partnership could be required to disclose confidential information relating to its investments and its financial results to third parties that could request such information if and to the extent required by any law, rule or regulation applicable to the Partnership, and Limited Partners that are public agencies or governmental bodies could have their own disclosure obligations under applicable law, rule or regulation in respect of the Partnership's confidential information. Such disclosure obligations could adversely affect certain Limited Partners, particularly Limited Partners who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest. To prevent or minimize such disclosure, the General Partner could withhold all or part of the information otherwise to be provided to certain Limited Partners (pursuant to the Partnership Agreement or otherwise) under certain circumstances. Accordingly, certain Limited Partners could have restricted access to information in comparison to other Limited Partners.

Interpretation of the Partnership Agreement. The Partnership Agreement and related documents are detailed agreements that establish complex arrangements among the Limited Partners, the Partnership, the General Partner, the Investment Manager and other entities and individuals. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the relevant

agreements will be construed in good faith and in a manner consistent with applicable legal obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Partnership or the Limited Partners.

Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal, tax and regulatory environment worldwide for private investment funds (such as the Partnership) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities could have a material adverse effect on the ability of the Partnership to pursue its investment program and the value of investments held by the Partnership. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Partnership to pursue its investment program or employ brokers and other counterparties, which could have a material adverse effect on the Partnership and the Limited Partners' investments therein. In addition, the Investment Manager is permitted, in its discretion, to cause the Partnership to be subject to certain laws and regulations if the Investment Manager believes that an investment or business activity is in the Partnership's interest, even if such laws and regulations have a detrimental effect on one or more Limited Partners.

SEC Regulation; Impact of Rule Reforms. Changes in law or regulations could adversely affect the value of investments held (directly or indirectly) by the Partnership, affect the ability of the Partnership to pursue its investment strategy, restrict the General Partner and the Investment Manager's ability to operate as it has in the past, and increase the amount of fees or expenses borne by the Partnership and the Limited Partners indirectly. The time and attention as well as the financial costs associated with compliance with any regulatory rulemaking could divert the Investment Manager's resources away from managing the investment program of the Partnership, which could adversely affect both the Partnership and its investments. Similarly, any cost of new compliance obligations attributable to the Partnership have the potential to increase the financial burden on the Partnership. Further, the impact of SEC rulemaking is uncertain and legal or regulatory uncertainty with respect to any such rulemaking is likely to result in a diversion of the Investment Manager's time and resources as well as expose the General Partner and/or the Investment Manager to regulatory risk, all of which in turn could negatively impact the Partnership and its investments.

U.S. Regulatory Risks. The presidential administration of Donald J. Trump began on January 20, 2025. Since then, the Trump administration has enacted, and is expected to continue to seek to enact, changes to numerous areas of law and regulations currently in effect. These changes and any future changes could significantly impact the Partnership or its investments. Specific legislative and regulatory proposals discussed during election campaigns and more recently that might materially impact the Partnership and/or its portfolio companies include changes to digital asset regulations, climate policies, trade agreements, immigration policy, import and export regulations, tariffs and customs duties, energy regulations, income tax regulations and the federal tax code, public company reporting requirements, and antitrust enforcement. Changes in U.S. federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities. The nature, timing and economic effects of potential changes to the current legal and regulatory framework affecting financial institutions under the new presidential administration remain highly uncertain. None of the General Partner, the Partnership, the Investment Manager or their respective affiliates can predict the ultimate impact of the foregoing on the Partnership, its business and investments, or the private fund industry generally. Future changes could adversely affect the Partnership's operating environment and therefore the Partnership's business, operating costs, financial condition and results of operations. There can be no assurance that any changes in laws, regulations or governmental policy will not have an adverse impact on the Partnership and its investments, including the ability of the Partnership to execute its investment objectives and to receive attractive returns. In addition, any changes in U.S. social, political, regulatory and economic conditions or

in laws and policies governing the financial services industry, foreign trade, manufacturing, outsourcing, development and investment in the territories and countries or types of investments in which the Partnership is permitted to invest, and any negative sentiments towards the United States as a result of such changes, could adversely affect the performance of the Partnership's investments. Changes in the control of the U.S. federal legislative and executive branches during the Partnership's term could result in potential changes in laws and regulations affecting the private equity industry. The likelihood of occurrence and the effect of any such change is highly uncertain and could have an adverse impact on the Partnership and the Partnership's investments.

Other Risks. Upon termination of the Partnership, certain Investments of the Partnership are permitted to be distributed in kind. Widespread holding of investments could entail a significant administrative burden. In addition, the direct holding of certain investments could subject the holder to suit or taxes in jurisdictions in which such investments are located. There can be no assurance that Limited Partners will be able to dispose of any securities or instruments distributed in-kind or that the fair value of such securities or instruments determined by the Partnership for purposes of the determination of distributions and the calculation of the Carried Interest ultimately will be realized. In addition, if the Partnership receives distributions in-kind from any Investment, the Partnership could incur additional costs and risks in connection with the disposition of such assets.

Conflicts of Interest

Investors should be aware that there will be occasions when the General Partner, the Investment Manager and their respective affiliates encounter conflicts of interest in connection with the Partnership's activities. By acquiring an Interest in the Partnership, each Limited Partner will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived, to the fullest extent permitted by law, including the Advisers Act, any claim with respect to any liability arising from the existence of any such conflict of interest. The following discussion enumerates certain conflicts of interest that should be carefully evaluated before making an investment in the Partnership.

Allocation of Personnel. The General Partner, the Investment Manager and their respective affiliates will devote such time as will be necessary to conduct the business affairs of the Partnership in an appropriate manner. However, in addition to managing the Partnership and their other responsibilities, the General Partner, the Investment Manager and their respective affiliates also have ongoing responsibilities to manage the business and affairs of certain pre-existing limited partnerships and other clients and relationships, and, therefore, conflicts could arise in the allocation of personnel.

Incentive Allocation. The Incentive Allocation could create an incentive for the Investment Manager to cause the Partnership to make Investments that are riskier or more speculative than the Investment Manager might otherwise select for investment by the Partnership. The Incentive Allocation (as well as the Management Fee) was determined without negotiations with any third party. The General Partner will address such conflicts in good faith consistent with applicable law.

Service Providers. The Partnership's service providers (including brokers and attorneys) are permitted to be investors in the Partnership and/or sources of Investment opportunities and counterparties therein. This could influence the General Partner and/or the Investment Manager in deciding whether to select such a service provider.

Services Provided by Affiliates of the Adviser. In addition to services provided by the Investment Manager, certain affiliates or related persons of the Investment Manager provide, and the Investment Manager itself provides, operations-related consulting and other support services, including, without limitation, accounting, tax, finance and information technology services, to portfolio companies of the Partnership

[and from time to time to the Partnership itself] that would otherwise be performed by third parties or internal portfolio company personnel. Affiliates or the Investment Manager may receive compensation, reimbursements, or other consideration (including retainers, hourly fees, project-based fees, success-based fees or contingent compensation, and expense reimbursements) for providing support services, which may be paid by the Partnership. Any such fees and reimbursements will be in addition to the Management Fee and any Incentive Allocation, and will not be offset against, reduce, or otherwise modify the Management Fee or Incentive Allocation.

The provision of support services by the Investment Manager or its affiliates presents actual and potential conflicts of interest, including, without limitation: (i) an incentive to recommend or continue using affiliates rather than unaffiliated third-party providers; (ii) an incentive to scope or staff projects, or to time or continue services, in a manner that increases fees or reimbursable expenses; and (iii) an incentive to influence portfolio company budgets, vendor selections, and operational decisions to favor affiliates. The Investment Manager and its affiliates also have an incentive to value or characterize certain work as support services rather than as services included within the scope of the Management Fee. In addition, where the Investment Manager or an affiliate has the ability to approve or influence a portfolio company's decision to engage service providers, the Investment Manager faces a conflict in recommending its affiliate. These conflicts may not be fully mitigated by market checks or other controls, and there can be no assurance that the costs of support services will be lower than, or comparable to, those charged by unaffiliated providers or those that could be performed internally.

Allocation of Investment Opportunities. The General Partner and the Investment Manager have ongoing responsibilities to certain other existing or to-be-formed vehicles and accounts, some or all of which could seek to invest in the same or similar types of securities as the Partnership. It is the policy of the Investment Manager to allocate investment opportunities fairly and equitably among the Partnership and other investment partnerships, where applicable, to the extent possible over a period of time. The Investment Manager, however, will have no obligation to purchase, sell or exchange any investment for the Partnership which the Investment Manager is permitted to purchase, sell or exchange for one or more other investment partnership if the Investment Manager believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Partnership. Investment opportunities that are sourced by the Investment Manager, and affiliates that are suitable for the Partnership and other investment vehicles and/or accounts managed by the Investment Manager and/or an affiliate will be allocated among the Partnership and such other vehicles and/or accounts in accordance with the Sprott U.S.A. Global Allocation Policy – Updated as of August 7, 2024.

When the Investment Manager determines that it would be appropriate for the Partnership and one or more Sprott Funds to participate in an investment or divestiture opportunity, the Investment Manager will seek to execute orders for all of the participating clients on an equitable basis taking into account such factors as determined by the Investment Manager and its affiliates in their discretion, such as the relative amounts of capital available for new investments, the respective investment programs and portfolio positions of the Partnership and such Sprott Funds, and any applicable diversification and other investment restriction. If the Investment Manager has determined to invest in the same direction and in the same security at the same time for more than one of the Sprott Funds, the Investment Manager will generally place combined orders for all such accounts simultaneously and if all such orders are not filled at the same price, it will generally average the prices paid. Similarly, if an order on behalf of more than one Sprott Fund cannot be fully executed under prevailing market conditions, the Investment Manager will allocate the trade among the different accounts on a basis that it considers equitable. Situations could occur where the Partnership could be disadvantaged because of the investment activities conducted by the Investment Manager for other Sprott Funds.

The classification of an investment opportunity as appropriate or inappropriate for the Partnership or any other Sprott Fund will be made by the Investment Manager, in good faith, at the time of purchase and will govern in this regard. This determination frequently will be subjective in nature. Consequently, an investment that the Investment Manager determined was appropriate (or more appropriate) for the Partnership (or that the Investment Manager determined was appropriate (or more appropriate) for any other Sprott Fund) could ultimately prove to have been more appropriate for another Sprott Fund (or for the Partnership).

The overlapping investments held by the Partnership and other Sprott Funds will give rise to conflicts of interest relating to the purchase or sale of such investments. If the Partnership determines that an investment in its portfolio should be reduced or sold in its entirety, the Sprott Funds holding the same investments could be obligated to reduce or sell (subject to certain exceptions). Similarly, if another Sprott Fund decides to reduce or sell an investment that is also held by the Partnership, the Partnership will not be obligated to reduce or sell such investments. The Partnership and the other Sprott Funds will likely make investments at different times and/or on different terms or exit any of such investments at different times and/or on different terms compared to such investment made on behalf of the Partnership. Therefore, the Partnership expects to realize different investment returns than such other Sprott Funds, with respect to any investment made alongside some or all of such entities.

The Partnership does not have a right to participate in any or all investments for any other Sprott Fund. In addition, the Investment Manager could be required by applicable law, regulatory considerations, internal policies, or contractual requirements to share potential investment opportunities with other Sprott Funds before offering such opportunity to the Partnership. This relationship would present a conflict of interest in determining how much, if any, of certain investment opportunities to offer to the Partnership, and such conflicts may not always be resolved to the advantage of the Partnership. The outcome of any allocation determined by the Investment Manager could result in the allocation of all, none or a sub-optimal portion of an investment opportunity to the Partnership, which could adversely affect the Partnership's performance in the same manner as an under-or over-allocation. There can be no assurance that the Partnership will have an opportunity to participate in certain investments that fall within the Partnership's investment objective. Furthermore, there can be no assurance that the allocation of any investment opportunity among the Partnership and the other Sprott Funds, or the terms on which such allocation is made, will be as favorable as they would be if the conflicts of interest to which the Investment Manager could be subject did not exist. The Investment Manager's investment allocation guidelines, policies and procedures could be amended by the Investment Manager at any time without the consent of any Limited Partner, and the Investment Manager will provide notice of such amendment to the Limited Partners to the extent required by applicable law, rule or regulation.

Co-Investments Generally. The Partnership is permitted to (i) elect to co-invest in a company alongside one or more other investors, (ii) allocate a portion of any investment opportunity to one or more third parties (including affiliates of the General Partner and Limited Partners that are retail customers of Sprott Global) if the Investment Manager determines that such allocation is in the best interests of the Partnership, or (iii) offer co-investment opportunities alongside the Partnership to third parties (which could include affiliates of the General Partner and Limited Partners that are retail customers of Sprott Global) in circumstances where an excess investment opportunity exists after the Partnership has invested an appropriate amount (as determined by the Investment Manager based upon diversification considerations and other factors deemed relevant by the Investment Manager). These agreements are informal and, without such third-party participation, it is possible some of these investment opportunities will not be made available to the Partnership.

Co-Investments by Limited Partners. As described above, one or more Limited Partners in the Partnership that are also retail customers of Sprott Global or the Investment Manager could be permitted to co-invest

in a particular asset in which the Partnership will invest. The interests of such Limited Partner and the Partnership could be adverse with respect to the Limited Partner's direct investment in that asset. The General Partner, the Investment Manager and their affiliates will have no obligation to offer to any Limited Partner the opportunity to invest directly in any asset and, in the event of any such direct investment by a Limited Partner, the General Partner, the Investment Manager and their affiliates will have no obligation to advise or take into consideration the interests of such Limited Partner with respect to its direct investment.

Principal Transactions and Cross Trades. A principal transaction generally occurs when an investment adviser, acting for its own account or the account of an affiliate, trades with a client's account. A cross trade is generally defined as the matching of buy and sell orders between any accounts managed by an investment adviser. The General Partner and the Investment Manager currently do not engage in principal transactions or cross trades between accounts for which the General Partner, the Investment Manager or any affiliate of the foregoing is compensated. To the extent that the General Partner intends to engage in a principal transaction or a cross trade, the General Partner will comply with the applicable disclosure and consent requirements of Section 206(3) of the Advisers Act.

Investment in a Sprott Fund. The Investment Manager is permitted to invest the Partnership's capital in one or more Sprott Funds. Any Other Fees imposed by such Sprott Fund will be borne by the Partnership and no amount of the Other Fees earned by the Investment Manager or its affiliates from any Sprott Fund will be applied to reduce the Management Fees or any similar fees otherwise owed by the Partnership to the Investment Manager or its affiliates. Further, the Partnership does not benefit from the Other Fees earned by the Investment Manager or its affiliates from Sprott Funds. If the Partnership is not invested in a Sprott Fund, it will not have the right to participate in the investments of such Sprott Fund.

Affiliated Placement Agent. Registered representatives of Sprott Global, an affiliate of the General Partner, could have a conflict of interest in recommending the Interests to their clients. Since such registered representatives are compensated based on an investor's decision to purchase an Interest in the Partnership, there exists a conflict of interest when any such registered representative advises an investor to purchase or retain an Interest in the Partnership.

Brokerage Commissions and Other Transactional Fees. Sprott Global, a registered broker-dealer affiliated with the General Partner, serves as an introducing broker on behalf of the clients and routes certain Partnership securities transactions to various third-party executing brokers. Sprott Global receives normal and customary commissions for effecting such transactions. This involves a conflict of interest in that the General Partner and/or the Investment Manager have an incentive to favor its own execution capabilities over those of a competitor with which the Partnership would otherwise trade.

The Partnership is permitted also to purchase privately placed securities for which Sprott Global serves as a finder. In connection with such transactions, Sprott Global will receive normal and customary compensation from the issuing company (including finder's fees and/or securities of the issuing company). This compensation creates an incentive for the Investment Manager to make investments for reasons other than the Partnership's best interests. In order to address such conflicts of interest, the General Partner's and/or the Investment Manager's Chief Compliance Officer monitor these transactions and advise as needed.

Valuation Matters. The fair value of all Investments or of property received in exchange for any Investments will be determined by the General Partner, the Investment Manager or its delegate in accordance with the Partnership Agreement. Accordingly, it is possible that the carrying value of an Investment, which will affect the Partnership's performance results, will not reflect the price at which the Investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The process of valuing securities for which reliable market quotations are not

available is based on inherent uncertainties and the resulting values could differ from values that would have been determined had a ready market existed for such securities and could differ from the prices at which such securities are ultimately sold. Because the Investment Manager determines in its discretion the value of the Partnership's assets, a conflict of interest exists in making valuation determinations given the potential impact of such valuations on the Partnership's performance, particularly with respect to an account that pays performance fees. There can be no assurance that the Partnership will be able to realize its investments at prices that are commensurate with the value at which such investments have been carried on the Partnership's books and the difference between carrying value and the ultimate sale price could be material.

The fair value of all investments or of property received in exchange for any investments will be determined by the Investment Manager in accordance with the governing documents of the Partnership and the Investment Manager's valuation policies. The exercise of discretion in valuation by the Investment Manager presents a conflict of interest, including in connection with the calculation of any management fees. The Investment Manager has an incentive to adjust valuation determinations upward (or to avoid reductions) in order to enhance performance reporting with the effect of receiving higher management fees where applicable. Further, in connection with the Investment Manager's discretion in valuing certain assets, the Investment Manager maintains discretion to determine whether certain assets have experienced a permanent and significant decline in value. A permanent and significant decline in the value of an investment would generally reduce the basis from which management fees are calculated where applicable. The Investment Manager therefore has an incentive with respect to the Partnership to hold onto assets or other investments that have poor prospects for improvement or to avoid or otherwise delay determining that an investment has been subject to a permanent and significant decline in value. Limited Partners will generally not have access to detailed valuation calculations and methodologies or to the underlying information utilized for a particular valuation or investment. See "*Other Features of the Partnership – Valuation*."

Best Execution. As described above, the General Partner and/or the Investment Manager is permitted to utilize Sprott Global as introducing broker; however the General Partner selects the executing brokers to which Sprott Global routes trade orders. The General Partner and/or the Investment Manager will consider a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the General Partner need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the General Partner's and/or the Investment Manager's practice to negotiate "execution only" commission rates, thus a client could be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Sprott U.S.A.'s Best Execution Oversight Committee meets periodically to evaluate the broker-dealers used by the Partnership to execute client trades using the foregoing factors.

The Investment Manager does not intend to receive research or other products or services other than execution from a broker-dealer in connection with client securities transactions. This is known as a "soft dollar" relationship. However, the Investment Manager has the ability to determine to utilize "soft dollars" in the future and, if so, the Investment Manager intends to limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) can include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts;

meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) can include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

If the Investment Manager uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Sprott U.S.A's Best Execution Oversight Committee will meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Investment Manager's overall responsibilities to the accounts or portfolios over which the Investment Manager exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Investment Manager would not have to pay for the products and services themselves. This would create an incentive for the Investment Manager to select a broker-dealer based on its interest in receiving those products and services.

The Investment Manager is permitted to cause the clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for such clients.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions can be used by the Investment Manager, respectively, in its other investment activities, including, and for the benefit of other client accounts. The Investment Manager does not intend to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Diverse Limited Partner Group. The Limited Partners will likely have conflicting investment, tax, and other interests with respect to their investments in the Partnership. The conflicting interests of individual Limited Partners could relate to or arise from, among other things, the nature of Investments made by the Partnership, the structuring or the acquisition of Investments, and the timing of disposition of Investments. As a consequence, conflicts of interest could arise in connection with decisions made by the Investment Manager, including with respect to the nature or structuring of Investments, which could be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners' individual tax situations. In addition, the Partnership could make Investments that have a negative impact on related Investments made by the Limited Partners in separate transactions. In selecting and structuring Investments appropriate for the Partnership, the Investment Manager will consider the investment and tax objectives of the Partnership and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

Additional Conflicts. The officers, directors, members, managers, and employees of the General Partner and/or the Investment Manager are permitted to trade in securities for their own accounts, subject to restrictions and reporting requirements as required by law or otherwise determined from time to time by the General Partner and the Investment Manager.

No Separate Counsel. Latham & Watkins LLP and any other law firm (collectively, "Counsel") retained by the General Partner in connection with the organization of the Partnership, the offering of Interests, the management and operation of the Partnership, or any dispute between the General Partner and any investor or the Partnership, do not represent or owe any duty to any such investor or to the investors as a group, in connection with such retention. Such representation is limited to specific matters as to which each Counsel have been consulted, and no Counsel has undertaken either (i) an evaluation of the merits of an investment in the Partnership or (ii) to monitor the compliance of the General Partner, Investment Manager, the Partnership or their respective affiliates with applicable laws. There could exist other matters which could have a bearing on the Partnership, the General Partner, the Investment Manager or their respective affiliates for which such Counsel has not been consulted. Regardless of whether any Counsel has in the past represented or currently represents any Limited Partner or prospective investor with respect to other matters, such Counsel does not represent the interests of such Limited Partner or prospective investor in connection with the formation or operations of the Partnership, including the offering of Interests. Counsel is under no obligation to share with any Limited Partner or prospective investor any confidential information Counsel obtains from the Partnership, the General Partner, the Investment Manager or their respective affiliates or any other person, even if material to a Limited Partner's or prospective investor's interest. Each Limited Partner and prospective investor waives any actual or potential conflict arising with respect to the foregoing and agrees that each Counsel is permitted to represent the Partnership, the General Partner, the Investment Manager or their respective affiliates if any dispute or litigation arises between any of them, on the one hand, and such Limited Partner or prospective investor on the other hand. Each Counsel relies upon information furnished to it by the Partnership, General Partner and their respective affiliates and does not investigate or verify the accuracy or completeness of information set forth herein, whether concerning the Partnership, the General Partner, the Investment Manager, their respective affiliates, their personnel or otherwise. Separate counsel has not been engaged to act on behalf of the Partnership or its investors, and no Counsel will be deemed to represent, or otherwise owe any obligations or duties to, any investors. Investors should consult with their own counsel in respect of all legal matters relating to their subscription for Interests in the Partnership.

Tax Risks

General. The General Partner intends that the Partnership will be classified as a partnership for U.S. federal tax purposes. Each Partner must take into account its allocable share of the partnership items of the Partnership. The Partnership, like all entities classified as partnerships for federal tax purposes, is subject to a risk of audit by the U.S. Internal Revenue Service (the "IRS"). Any adjustments made to the Partnership's information return produced by such an audit might result in adjustments to Partners' tax returns, with respect not only to items related to the Partnership but also to unrelated items. Furthermore, U.S. federal, state and local tax laws are subject to change, and Partners could incur substantial tax liabilities as a result of changes thereto. Finally, various aspects of income taxation, including U.S. federal, state and local taxation and the alternative minimum tax, produce tax effects that can vary based on each taxpayer's particular circumstances. **THEREFORE, INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS TO DETERMINE THE TAX EFFECTS OF AN INVESTMENT IN THE PARTNERSHIP, ESPECIALLY IN LIGHT OF THEIR PARTICULAR FINANCIAL SITUATIONS.**

Tax Liability. The Limited Partners will be required to take into account their allocable shares of the Partnership's items of income, gain, loss, deduction, and credit, without regard to whether they have received or will receive any distributions from the Partnership. Thus, each Limited Partner will be taxed on its distributive share of the taxable income of the Partnership regardless of whether such Limited Partner receives any actual cash distributions from the Partnership. Accordingly, a Limited Partner's tax liability

for any taxable year associated with an investment in the Partnership could exceed (and perhaps to a substantial extent) the cash distributed to that Limited Partner during the taxable year.

Certain Deductions and Allocations. The IRS could challenge the deductibility of expenses the Partnership incurs, including the Management Fee, for several reasons, including that those expenses constitute capital expenditures that, among other things, should be added to the Partnership's cost of acquiring its investments and amortized over a period of time or held in suspense until the Partnership liquidates or dissolves. In addition, certain expenses the Partnership incurs, including the Management Fee, could constitute "miscellaneous itemized deductions," the deductibility of which by individual taxpayers is subject to certain limitations.

Tax-Exempt Investors. The Partnership is permitted to employ leverage or engage in borrowing, which could result in the recognition of UBTI by tax-exempt organizations that invest in the Partnership. There can be no assurance that the Partnership's investment activities will not result in UBTI.

Non-U.S. Investors. The Partnership anticipates, although there can be no assurance, that it will not be considered to be engaged in a U.S. trade or business, and therefore that its net income and gains will not subject a non-U.S. Limited Partner to U.S. federal income tax. If the Partnership were considered to be engaged in a U.S. trade or business, a non-U.S. Limited Partner would be required to file a U.S. federal income tax return and pay U.S. tax in the same manner as a U.S. person (plus, in the case of a non-U.S. corporation, a 30% branch profits tax) on its allocable share of the Partnership's income that was treated as effectively connected with that U.S. trade or business.

Taxation in Non-U.S. Jurisdictions. Because the Partnership makes Investments in jurisdictions outside the United States, the Partnership or the Limited Partners could be subject to income or other tax in such jurisdictions. Additionally, withholding tax or branch tax could be imposed on earnings of the Partnership from Investments in such jurisdictions. Local tax incurred in non-U.S. jurisdictions by the Partnership or vehicles through which it invests also could not be creditable to or deductible by a Limited Partner under the tax laws of the jurisdiction where such Limited Partner resides.

Delayed Schedule K-1. It is likely that the Partnership will not be able to provide final Schedules K-1 to Partners for any given fiscal year until after April 15 of the following year. The General Partner will endeavor to provide the Limited Partner with estimates of the taxable income or loss allocated to their investment in the Partnership on or before such date, but since final Schedules K-1 could not be available, Partners could be required to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels.

Withholding Taxes. To the extent that the Partnership is required to withhold and pay certain amounts to taxing authorities on behalf of or with respect to its Limited Partners (i) if the amount required to be withheld or paid by the Partnership on behalf of or with respect to a Limited Partner exceeds the amount available for distribution to such Limited Partner at any given time, such Limited Partner will be obligated to repay the amount of such excess, which shall be considered a loan from the Partnership to such Limited Partner until discharged by such Limited Partner by repayment, together with interest at an annual rate of the Prime Rate, but not in excess of the maximum rate of interest permitted by applicable law, and which repayment will be made out of distributions to which such Limited Partner would otherwise be subsequently entitled; and (ii) each Limited Partner will indemnify the Partnership and the General Partner, and hold them each harmless, for any liability with respect to taxes, penalties, or interest required to be withheld or paid to any taxing authority by the Partnership or the General Partner.

Possible U.S. Tax Legislative Changes. Given the current political landscape in the United States, it is possible that changes to the U.S. federal income tax laws will be made that will be designed to increase

U.S. federal tax revenues. No predictions can be made as to scope or impact of any legislative proposal along these or similar lines that could be introduced, whether any such legislative proposals will be enacted into law, or, if so, when any resulting legislative changes might become effective.

FATCA. Limited Partners could be required to provide additional certifications to the Partnership to avoid a 30% U.S. withholding tax that applies under legislation commonly referred to as the U.S. "Foreign Account Tax Compliance Act" or "FATCA."

OTHER FEATURES OF THE PARTNERSHIPS

The following summary does not purport to be complete and is qualified in its entirety by reference to the Partnership Agreements. If there is any discrepancy between the Partnership Agreements and this summary, the terms of the applicable Partnership Agreement will prevail. References to "Partnership" below shall refer to either the Main Partnership or the Parallel Partnership, as applicable. This section does not summarize provisions of the Partnership Agreements that are described elsewhere in this Memorandum.

Limited Liability

The Partnership has been established as a Delaware limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act ("Delaware Act"). The Delaware Act provides that Limited Partners will have limited liability with respect to the Partnership and third parties, except to the extent otherwise provided in the Delaware Act or the Partnership Agreement.

Limited Redemptions; Lack of Liquidity

There are restrictions on a Limited Partner's right to redeem all of part of his, her or its Interest, transfer his, her or its Interest and pledge or otherwise encumber his, her or its Interest. Interests cannot be transferred or pledged except in compliance with significant restrictions on transfer as required by federal and state securities laws and as provided in the Partnership Agreement. The Partnership Agreement does not permit a Limited Partner to transfer or pledge all or any part of its Interest to any person without the prior written consent of the General Partner, the granting of which is in the General Partner's discretion. These limitations, taken together, will significantly limit a Limited Partner's ability to liquidate an investment in the Partnership quickly. As a result, an investment in the Partnership would not be suitable for an investor who needs liquidity.

No Distributions

The Partnership does not intend to make any distributions to the Limited Partners, but intends to reinvest substantially all of the Partnership's income and gain. Therefore, Limited Partners will need to redeem their Interest (or a part thereof) in accordance with terms set forth in the applicable Partnership Agreement to receive cash with respect to their Interest.

Required Withdrawal

The General Partner is permitted to require a Limited Partner to redeem all or a portion of its Interests at any time in accordance with the Partnership Agreement.

Amendments to the Partnership Agreement

The Partnership Agreement can be modified or amended at any time and from time to time with the written consent of the General Partner and either (i) the written consent of the Limited Partners representing more than 50% of the Percentage Interests of all Limited Partners (or such higher percentage required therein) or (ii) the "negative consent" of Limited Partners, which will be obtained if the General Partner delivers a notice specifying the proposed amendment to the address of record (or email address of record, if a Limited Partner consents to electronic delivery of communications) of each Limited Partner and Limited Partners who represent more than 50% of the Percentage Interests of all Limited Partners (or such higher percentage required therein) do not object to such amendment in writing within 30 days of the date of such notice.

Notwithstanding the foregoing, the General Partner reserves the right to amend the Partnership Agreement at any time and without the consent of any Limited Partner in order to: (i) reflect the admission of new Limited Partners or the withdrawal of existing Limited Partners in accordance with the provisions of the Partnership Agreement and changes validly made in the Capital Accounts and Percentage Interests of the Limited Partners, (ii) reflect a change in the name of the Partnership, (iii) make a change that is necessary or, in the opinion of the General Partner, advisable to qualify the Partnership as a limited partnership in which the Limited Partners have limited liability under the laws of any state, or ensure that the Partnership will not be taxable as a corporation for income tax purposes, (iv) make a change that, in the General Partner's opinion, is necessary or desirable to cure any ambiguity, to correct or supplement any provision in the Partnership Agreement that would be inconsistent with any other provision in the Partnership Agreement, in each case so long as such change is made in a manner which minimizes any adverse effect on the Limited Partners, (v) make a change that, in the General Partner's opinion, is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any federal or state entity, so long as such change is made in a manner which minimizes any adverse effect on the Limited Partners, (vi) make a change in any provision of the Partnership Agreement that requires any action to be taken by or on behalf of the General Partner or the Partnership pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required, (vii) prevent the Partnership or the General Partner from in any manner being deemed an "investment company" subject to the provisions of the 1940 Act, (viii) if the Partnership is advised that any allocations of income, gain, loss or deduction provided therein are unlikely to be respected for U.S. federal income tax purposes, to amend or modify the allocation provisions thereof, on advice of legal counsel, to the minimum extent necessary to effect the plan of allocations and distributions provided therein, (ix) as permitted or contemplated by Sections 6.2(b)(xx) or 14.12 of the Partnership Agreement, or (x) make any amendment, modification or supplement that does not adversely affect the Limited Partners.

Notwithstanding any other provision in the Partnership Agreement to the contrary, if, after the date of the Partnership Agreement, any statute, rule or regulation is enacted or promulgated (or if the General Partner determines that such enactment or promulgation is imminent) or the IRS issues any notice or announcement that affects the U.S. federal income tax treatment of the General Partner and/or its members in respect of their rights to Incentive Allocations under the Partnership Agreement, then the General Partner is permitted to amend the Partnership Agreement in any manner, without the consent of any Limited Partner; provided, however, that the General Partner will not be permitted to amend the Partnership Agreement pursuant to this paragraph in any manner that would adversely affect such Limited Partner's economic interest in the Partnership without prior written consent of such Limited Partner.

Notwithstanding any of the other amendment provisions of the Partnership Agreement to the contrary, and except where approval of the Partners is specifically provided for elsewhere in the Partnership Agreement, without the approval or written Consent of each of the Partners adversely affected thereby, no amendment will cause the Partnership to become a general partnership, alter in an adverse manner the liability of any Partner, change the term of the Partnership or the Partnership Year, alter in an adverse manner any Partner's percentage interest in Profits and Losses or distributions or payment of Management Fees or alter in an adverse manner the amendment provisions of the Partnership Agreement.

Valuation

Valuations will be determined pursuant to written policies and procedures reasonably designed to result in fair value. Additionally, the General Partner will utilize the following methodology to value securities in the Partnership:

- All exchange traded securities are valued using the last trade or closing sale price from the primary publicly recognized exchange. If no current closing sale price is available the mean of the closing bid and ask price (mid-price) will be taken. If no current day price is available the previous business day's closing will be used.

- The value of any security with limited or restricted resale conditions will be discounted by a percentage of the market value of the same class with no restricted resale conditions. The percentage discount for illiquidity is equal to 2% per month to a maximum of 12%.

- Private companies are valued at cost and adjusted based on the last known transaction (e.g. subsequent issue price disclosed by the company, subsequent purchase/sale of the security) as well as other available qualitative and quantitative information.

- Subscription receipts are valued based on the underlying security's market price as at trade date for the period between trade date and conversion date.

- Listed warrants are valued using last trade or closing price from the primary exchange. If no current closing price is available, the mean of the closing bid and ask price will be taken. If no current day price quotation is available, the previous business day's closing price will be used.

- Unlisted warrants are priced using Black Scholes pricing model. The model utilizes the security's underlying price valued at last trade or closing price from the primary exchange. If no current closing price is available, the mean of the closing bid and ask price will be taken. If no current day price quotation is available, the previous business day's closing price will be used.

TAX CONSIDERATIONS

The following discussion is for informational purposes only. References to "Partnership" below shall refer to both the Main Partnership and the Parallel Partnership, unless the context requires otherwise. Each prospective Limited Partner should consult with, and must rely upon, its own tax advisors regarding the tax consequences of an investment in the Partnership.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion sets forth the material U.S. federal income tax considerations of general application to a U.S. Limited Partner (as defined below) associated with an investment in the Partnership. The following discussion is based upon the Code, existing and proposed regulations promulgated thereunder, reports of congressional committees, judicial decisions, and current administrative rulings and practices. Any of these authorities could be repealed, overruled, or modified at any time after the date hereof. Any such change could be retroactive and, accordingly, could modify the tax considerations discussed herein. No ruling from the IRS with respect to the matters discussed herein has been requested. Furthermore, there can be no assurance that the IRS or the courts would agree with the conclusions set forth in this discussion. This discussion is for general information only and addresses only the material federal income tax consequences of general application to U.S. Limited Partners with respect to the purchase of an interest in the Partnership as more fully described elsewhere in this Memorandum. This discussion does not address all aspects of federal income taxation that could be relevant to particular Limited Partners in light of their individual circumstances or to certain types of Partners (such as, for example, dealers in securities, insurance companies, financial institutions, governmental entities, pension funds, persons subject to alternative minimum tax and, except to the extent specifically provided herein, tax-exempt organizations) who could be subject to special treatment under the U.S. federal income tax laws. This discussion also does not address the effect of any foreign, state (other than certain aspects of California tax laws), or local tax law, which effect could be significant.

For purposes of this discussion, a "U.S. Limited Partner" is a Limited Partner that is for U.S. federal income tax purposes a U.S. person, which is defined as:

- an individual who is a U.S. citizen or U.S. resident alien;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

A "Non-U.S. Limited Partner" is a Limited Partner in the Partnership that is not a U.S. person.

The tax considerations applicable to a partner of a partnership that is a Limited Partner will generally depend upon the status of the partner and the activities of the partnership. Such persons should consult their own tax advisors about the U.S. federal income tax consequences applicable to them.

Classification as a Partnership

For U.S. federal income tax purposes, the Partnership is expected to be treated as a partnership and not as an association taxable as a corporation, or a "publicly traded partnership" within the meaning of Section 7704 of the Code. No ruling has been or will be requested from the IRS with respect to the foregoing conclusion, and no assurance can be given that the IRS or the courts will agree that the Partnership should be treated as a partnership for U.S. federal income tax purposes or will concur with the discussion of the tax consequences set forth below.

The remainder of this discussion assumes that the Partnership will be treated as a partnership for U.S. federal income tax purposes.

Partners, Not Partnership, Subject to Tax

An entity classified as a partnership for federal income tax purposes is not a taxable entity for such purposes. Rather, its partners are required to take into account their allocable shares of the partnership's items of income, gain, loss, deduction, and credit, without regard to whether they have received or will receive any distributions from the partnership. Situations in which taxable income attributable to a Limited Partner might exceed its distributions from the Partnership include, for example, use by the Partnership or investment entities in which the Partnership holds an interest of cash flow to effect repayment of debt, ownership of debt obligations whose issue or purchase price is less than the face amount payable at maturity, and investments by the Partnership in certain domestic or foreign entities whose income is taxable to the Partnership whether or not distributed or whose stock is subject to the rules regarding deemed or actual taxable stock dividends. Therefore, each Limited Partner should be aware that the tax liability associated with an investment in the Partnership during one or more taxable years could exceed (and perhaps to a substantial extent) the cash distributed to that Limited Partner during any such taxable year or years.

Taxation of Operations

The tax consequences to Limited Partners of the Partnership's activities are complex. Partnership prospective investors should consult with tax advisors who have substantial expertise with this aspect of the tax law.

Organization Expenses

The Partnership will bear or reimburse the General Partner for certain organization expenses. Organization expenses could be subject to capitalization and amortization over a 60-month period.

Allocations of Income, Gain, Loss, Deduction, and Credit

The Partnership Agreement provides for the allocation of income, gain, loss, deduction and credit from operations and other activities. Those allocations will be respected for federal income tax purposes provided that they either have substantial economic effect within the meaning of Section 704(b) of the Code and the Treasury Regulations promulgated thereunder or are (or are treated as being) in accordance with the Partners' interests in the Partnership. In general, items of income, gain, loss, and deduction will be allocated pursuant to the Partnership Agreement such that a liquidation of the Partnership in accordance with the positive capital account balances of the Partners would result in a distribution that is as consistent as possible with the applicable distribution provisions of the Partnership Agreement.

If an allocation under the Partnership Agreement is not respected for U.S. federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the Partners' interests in the Partnership.

A partner's interest in a partnership is determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Any such reallocation of an item of income, gain, loss, deduction, or credit of the Partnership could be less favorable to the Limited Partners than the allocation of such item set forth in the Partnership Agreement.

Under the Partnership Agreement, the General Partner has the discretion to follow an industry accounting convention of specially allocating the Partnership's realized gains and losses, for federal income tax purposes, to a Partner who redeems all of its Interest to the extent the Partner's Capital Account balance is more or less, respectively, than its basis for the redeemed Interest. There can be no assurance that the IRS will accept any such special allocation. If the IRS successfully challenged such an allocation, the Partnership's gains and losses allocable to the remaining Partners could change.

Adjusted Tax Basis

A Limited Partner's adjusted tax basis in an interest in the Partnership generally will be equal to (A) the sum of (i) the amount of cash contributed by such Limited Partner to the Partnership, (ii) the Limited Partner's allocable share of the income of the Partnership, and (iii) the Limited Partner's allocable share of the indebtedness of the Partnership, reduced, but not below zero, by (B) the sum of (x) the Limited Partner's allocable share of the deductions and losses of the Partnership, and (y) the amount of money and the basis of any other property distributed to the Limited Partner by the Partnership, including constructive distributions of money resulting from a reduction in the Limited Partner's share of the indebtedness of the Partnership.

Distributions

A Limited Partner generally will not recognize gain or loss on the receipt of a distribution of property from the Partnership. A Limited Partner, however, will recognize gain on the receipt of a distribution of money from the Partnership (including any constructive distribution of money resulting from a reduction in the Limited Partner's share of the indebtedness of the Partnership) to the extent such cash distribution exceeds such Limited Partner's adjusted tax basis in its Interest in the Partnership. A Limited Partner generally will recognize gain or loss on the complete liquidation of its Interest in the Partnership to the extent the amount of money received differs from its adjusted tax basis in its Interest in the Partnership.

Sale of Interest

In the event a Limited Partner sells or exchanges an Interest in the Partnership, Section 706 of the Code provides that the items of income, gain, loss, and deduction allocable to that Interest for the taxable year in which the sale occurs must be allocated between the Limited Partner and the transferee. The Partnership Agreement provides that any reasonable method of allocating income in respect of Interests transferred that complies with Section 706 of the Code is permitted to be utilized in the discretion of the General Partner.

A Limited Partner will recognize gain or loss on the sale of an Interest in the Partnership in an amount equal to the difference between the amount realized on the sale and its adjusted tax basis in such Interest. The amount realized on the sale will equal the amount received in exchange for the Interest increased by any resulting reduction in the Limited Partner's share of the liabilities of the Partnership (to the extent such Limited Partner's share of liabilities of the Partnership are included in the Limited Partner's adjusted tax basis in its Interest in the Partnership). Such gain or loss generally will be treated as a capital gain or loss. A Limited Partner, however, will recognize ordinary income on the sale of an Interest in the Partnership to the extent (A) the portion of the amount realized attributable to unrealized receivables or inventory items of the Partnership (as specially defined for this purpose) exceeds (B) the portion of the Limited Partner's adjusted tax basis allocable to those items (which generally will be zero). A Limited Partner will be required

to recognize the full amount of any such ordinary income even if that amount exceeds the overall gain on the sale and even if the Limited Partner recognizes an overall loss on the sale. It should be noted that capital losses generally cannot be used to offset ordinary income, although individual taxpayers are permitted to use capital losses to offset up to $3,000 of ordinary income per taxable year.

In general, Section 6050K of the Code requires any Limited Partner who sells an Interest in the Partnership to notify the Partnership of the sale and to attach a statement to his U.S. federal income tax return reflecting the sale. Such notice must be given in writing within 30 days of the sale (or, if earlier, by January 15 of the calendar year following the calendar year in which the sale occurred) and must include the names and addresses of the buyer and the seller, the taxpayer identification numbers of the seller and buyer (if known) and the date of the sale. A Limited Partner who fails to comply with these information reporting requirements could be subject to penalties.

Special Considerations Applicable to Taxable U.S. Investors

In the event the Partnership does have deductions in excess of income in a taxable year, a number of provisions of the Code would limit a Limited Partner's ability to deduct its allocable share of the Partnership's losses. For example, Section 704(d) provides that a partner is not entitled to deduct a loss to the extent it exceeds its adjusted tax basis in its partnership interest until such time as that loss would not reduce its adjusted tax basis below zero. Additionally, the ability of a Limited Partner to deduct capital losses in excess of capital gains is limited.

Limitations on Passive Losses and the "At-Risk" Rules. Limited Partners who are individuals, estates, trusts, personal service corporations, or certain closely held corporations should be aware that they will be subject to various other limitations on their ability to deduct their allocable shares of the deductions, losses, and credits of the Partnership and their ability to deduct certain expenses associated with their investments in the Partnership. For example, Section 465 of the Code provides that such a Limited Partner will not be entitled to deduct a loss to the extent the loss exceeds its "at risk" amount. In addition, Section 469 of the Code provides that such a Limited Partner who does not materially participate in the activities of the Partnership generally is not permitted to deduct a loss from the Partnership against income that is not passive.

Limitations on Miscellaneous Itemized Deductions. The Code and U.S. Treasury Regulations could limit the ability of U.S. Partners to utilize their shares of deductions that arise from the Partnership's activities. Non-corporate U.S. taxpayers are precluded from claiming a deduction for certain miscellaneous expenses (*e.g.,* investment advisory fees, tax preparation fees and unreimbursed employee expenses). Further, for taxable years beginning after 2025, the Code separately disallows itemized deductions otherwise allowable to non-corporate taxpayers whose adjusted gross income exceeds certain inflation-adjusted thresholds. Finally, miscellaneous itemized deductions are not allowed for purposes of the alternative minimum tax. Part or all of the Partnership's expenses allocated to any non-corporate Limited Partner (including that Limited Partner's share of the Management Fee) can be disallowed under these provisions, although corporate and tax-exempt Limited Partners will not be affected. These limitations on miscellaneous itemized deductions could cause the amount of taxable income from the Partnership with respect to a Limited Partner to be significantly higher than his, her or its share of Partnership net profits. Prospective non-corporate Partners thus should consider, in the context of their own personal circumstances, the extent to which these limitations could reduce or even eliminate the deductibility of the Partnership's expenses.

Further, Section 68 of the Code separately disallows certain deductions otherwise allowable to taxpayers who are individuals; the amount disallowed varies based on the taxpayer's adjusted gross income. Part or all of the Partnership's expenses allocated to a U.S. Partner who is an individual (including expenses attributable that Partner's share of the Management Fee) is permitted to be disallowed under these

provisions,. In addition, certain expenses (including the fees and expenses of placement agents, if any) incurred in connection with the offer and sale of the Interests are not deductible by any U.S. Partner.

Limitation on Deductibility of Excess Business Losses. Limitations are imposed on currently deducting aggregate losses from a taxpayer's trades or businesses. Aggregate losses are determined after applying the passive loss limitations (previously discussed). In this regard, any "excess business loss" (as defined in Section 461) is not currently deductible. Instead, the "excess" loss is carried forward and treated as a "net operating loss" available to offset income in future tax years. This loss limitation rule generally allows a taxpayer to currently deduct business losses up to $626,000 (if filing jointly) or $313,000 (in all other cases).

Limitation on Deductibility of Investment Interest and Business Interest. Prospective Limited Partners should consult their own tax advisors regarding the deductibility of capital losses, as well as the limitations on a non-corporate taxpayer's deductibility of interest paid or accrued on indebtedness allocable to property held for investment (whether by the Partnership with respect to its investments or by the Limited Partner with respect to an Interest). In addition, Section 163(j) of the Code generally limits the deductibility of "business interest" (which generally includes any interest paid or accrued on indebtedness attributable to a trade or business) to the sum of the taxpayer's "business interest income" plus 30% of the taxpayer's "adjusted taxable income." In the case of a partnership, the business interest limitation is applied at the partnership level.

Surtax on Net Investment. Income. Section 1411 of the Code imposes a 3.8% surtax on the "net investment income" of certain U.S. citizens and resident individuals, and on the undistributed "net investment income" of certain U.S. estates and trusts. Among other items, "net investment income" generally would include a U.S. Partner's allocable share of the Partnership's net gains and certain other income such as interest and dividends, less deductions allocable to such income. In addition, "net investment income" can include gain from the sale, exchange or other taxable disposition of an Interest, less certain deductions. U.S. Partners potentially subject to the surtax should consult their own tax advisors concerning its potential applicability to their individual circumstances.

Passive Foreign Investment Companies. A portfolio investment by the Partnership in a non-U.S. corporation that is classified as a "passive foreign investment company" ("PFIC") could cause taxable U.S. Partners to be subject to taxation under Sections 1291 through 1298 of the Code. In general, a non-U.S. corporation will be classified as a PFIC if 75% or more of its gross income for the taxable year constitutes "passive income" (generally, interest, dividends, royalties, rent and similar income, and gains on the disposition of assets that generate such income) or 50% or more of its assets (by value or, in certain situations, by adjusted tax bases) produce passive income or are held for the production of such income. Under the PFIC rules, gain attributable to a disposition of PFIC stock, as well as income attributable to certain "excess distributions" with respect to that PFIC stock, is allocated ratably over the shareholder's holding period for the stock. Gain allocated under this rule to (i) the year in which the shareholder disposes of the PFIC stock and (ii) any year prior to the time the non-U.S. corporation first satisfied the PFIC income or assets test, as well as income attributable to any excess distribution on PFIC stock allocated to those years, is subject to U.S. federal income tax (as ordinary income) at the U.S. federal income tax rates applicable to the shareholder for the year in which the disposition occurs. Disposition gain attributable to years included in the shareholder's holding period — other than those described in the preceding clauses (i) and (ii) — and income attributable to excess distributions allocated to each such other year is subject to U.S. federal income tax (as ordinary income) at the maximum U.S. federal income tax rate applicable to the shareholder for the year in which the income is treated as realized, and also to an interest-like charge on the shareholder's "deferred" payment of this U.S. federal income tax liability that accrues generally from the year of deemed realization through the due date of the shareholder's U.S. federal income tax return for the year of disposition or distribution (determined without regard to extensions). A U.S. Partner effectively will be treated as a U.S. shareholder with respect to its proportionate share of any PFIC stock owned by the

Partnership. If, however, that PFIC is also a "controlled foreign corporation" in which the Partnership is a "United States Shareholder" (as defined below), the PFIC rules generally will be superseded by the rules discussed below dealing with controlled foreign corporations.

The PFIC rules are highly technical and it is possible that a non-U.S. corporation in which the Partnership makes an investment will be classified as a PFIC. If the Partnership invests in the stock of a portfolio company classified as a PFIC, and that company agrees to provide the Partnership and, if necessary, the IRS with certain financial information, the Partnership is permitted to elect to treat that company as a "qualified electing fund" ("QEF"). If the Partnership holds stock of a non-U.S. corporation with respect to which a QEF election has been made for the first taxable year in the Partnership's holding period for which the non U.S. corporation is a PFIC, each U.S. Partner will be subject to U.S. federal income tax currently on its proportionate share of certain earnings and net capital gain of that non-U.S. corporation — regardless of whether that corporation actually distributes cash or other property to the Partnership — but generally will not be subject to the tax regime described in the preceding paragraph with respect to its investment in that corporation. Alternatively, if such PFIC stock is publicly traded, the Partnership could be eligible to value the stock annually on a "mark-to- market" basis so that the Partnership is permitted to treat any resulting gain or loss as ordinary income or loss to avoid the PFIC tax.

The preferential U.S. federal income tax rate that currently applies to certain dividends paid by certain corporations does not apply to dividends paid or deemed paid by a non-U.S. corporation that is a PFIC or to amounts that a PFIC shareholder includes in income as a result of a QEF or mark-to-market election in respect of such PFIC as described above.

If the Partnership invests directly or indirectly in a company that is a PFIC, taxable U.S. Partners could be required to file IRS Form 8621 ("*Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*") on an annual basis to report their indirect investment in such PFIC regardless of whether the Partnership or such U.S. Partner has received a distribution from, disposed of an interest in, or made an election in respect of such PFIC. However, the above PFIC rules (including the rules pertaining to QEF or other elections) generally should not affect tax-exempt Partners.

The Partnership cannot predict with any certainty at this time whether any non-U.S. portfolio company in which the Partnership invests could be subject to the PFIC regime, whether a timely QEF election can or will be made or maintained, or the effect or availability of any applicable elections made by the Partnership. The rules applicable to PFICs are complex, and the foregoing summary of U.S. federal income taxation of U.S. Partners indirectly owning an interest in a PFIC is general in nature. It is possible that U.S. Partners will be subject to tax currently under the PFIC regime on their proportionate shares of certain earnings of a non-U.S. corporation in which the Partnership holds an interest and/or could incur nondeductible interest-like charges on tax liability deferred under the PFIC regime without receiving from the Partnership distributions sufficient to satisfy any such obligations.

Controlled Foreign Corporations. Under Sections 951 through 971 of the Code, special rules apply to U.S. persons who own, directly or indirectly and applying certain attribution rules, 10% or more of the total combined voting power of all classes of stock of a non-U.S. corporation (each, a "United States Shareholder") that is a "controlled foreign corporation" ("CFC"). For this purpose, the Partnership will be treated as a United States Shareholder of any non-U.S. corporation in which the Partnership's share ownership reaches this 10% threshold. A non-U.S. corporation generally will be a CFC for a taxable year if United States Shareholders collectively own more than 50% of the total combined voting power or total value of the corporation's stock on any day during such taxable year. United States Shareholders of a CFC generally must include in their gross income for U.S. federal income tax purposes their pro rata shares of certain earnings and profits of the CFC. Further, under Section 1248 of the Code, if a U.S. person sells or exchanges stock of a non-U.S. corporation and that person is or was a United States Shareholder at any

time during the five- year period ending on the date of such sale or exchange during which that non-U.S. corporation was a CFC, that U.S. person generally will be required to treat a portion of the gain recognized upon such sale or exchange as a dividend to the extent of the earnings and profits of the CFC attributable to such stock. Under U.S. federal income tax rules, the Partnership itself is a U.S. person and, if the Partnership becomes a United States Shareholder of a CFC, taxable U.S. Partners will be subject to the Section 1248 recharacterization rule described above. In addition, if the Partnership is a United States Shareholder of a CFC and a U.S. Partner disposes of its Interest, that Partner generally will recognize income under Section 751 of the Code equal to its distributive share of the Section 1248 income that would have been triggered if the Partnership had sold its interest in the CFC at fair market value. The maximum rate of tax imposed on certain dividend income and certain long-term capital gains attributable to dispositions of securities currently is 20% (not including any additional tax that could apply under Section 1411 of the Code), so that a recharacterization of gain under Section 1248 might not increase that U.S. Partner's U.S. federal income tax liability. In addition, income of a CFC subject to income tax in a country other than the United States at an effective rate greater than 90% of the maximum U.S. corporate income tax rate is not taxable to a United States Shareholder under the CFC rules if the United States Shareholder so elects.

The rules applicable to CFCs are complex, and the foregoing summary of the U.S. federal income taxation of U.S. Partners indirectly owning an interest in a CFC is general in nature. The General Partner cannot provide any assurance that the Partnership's portfolio companies will not be CFCs. The CFC rules, however, generally should not affect tax-exempt U.S. Partners.

Additional Information Relating to Offshore Entities.

Dividends and interest received, and gains realized, by the Partnership or entities in which the Partnership invests on foreign securities could be subject to income, withholding or other taxes imposed by foreign countries and U.S. possessions that would reduce the total return on its investments. Tax conventions between certain countries and the United States (or the jurisdiction of the Investment Corporation) could reduce or eliminate these foreign taxes, however, and many foreign countries do not impose taxes on capital gains in respect of investments by foreign investors. A Limited Partner might be able to claim a foreign tax credit with respect to any foreign income taxes paid by the Partnership (or an Investment Partnership) that are not refunded, or might deduct those taxes, in determining the Limited Partner's federal income tax liability. If a Limited Partner claims a foreign tax credit, there can be no assurance, however, that the Service will accept such claim, in whole or in part.

U.S. Foreign Tax Credits. The Partnership is permitted to make investments in entities that are formed and operating under the laws of countries other than the United States. The countries in which these entities are organized and operate could impose taxes on the income of, and distributions or other payments made by, these entities. In addition, the Partnership and/or the Partners could be required to file tax or information returns in such non-U.S. jurisdictions. U.S. Partners could be entitled, under certain circumstances, to a reduced rate of non-U.S. tax on their shares of such income or distributions under tax treaties between the United States and the non-U.S. jurisdictions imposing such tax, or could, in certain circumstances, be entitled under such treaties to file tax returns in such jurisdictions and claim refunds of any amounts of non-U.S. tax over-withheld.

Subject to applicable limitations on foreign tax credits, a U.S. Partner that is subject to U.S. federal income taxation generally should be entitled to elect to treat foreign taxes withheld from such Partner's share of the Partnership's dividend and interest income as foreign income taxes eligible for credit against such Partner's U.S. federal income tax liability. Similarly, each U.S. Partner's share of any foreign taxes which could be imposed on capital gains or other income realized by the Partnership generally should be treated as creditable foreign income taxes. Capital gains realized by the Partnership, however, might be considered to

be from sources within the United States, which could effectively limit the amount of foreign tax credit allowed to a U.S. Partner. Other complex tax rules could also limit the availability or use of foreign tax credits, depending on each U.S. Partner's particular circumstances. Because of these limitations, U.S. Partners could be unable to claim a credit for the full amount of their proportionate shares of any foreign taxes paid by the Partnership.

U.S. Partners that do not elect to treat their shares of foreign taxes as creditable generally are permitted to claim a deduction against U.S. taxable income for such taxes (subject to applicable limitations on losses and deductions). Foreign tax credits or deductions generally will not provide any benefit to tax-exempt U.S. Partners unless such Partners' distributive shares of the income or gains on which the related foreign income taxes are imposed constitute "unrelated business taxable income" and certain other conditions are satisfied. However, since the availability of a credit or deduction depends on the particular circumstances of each U.S. Partner, Partners are advised to consult their own tax advisors.

Foreign Currency Issues. The "functional currency" of the Partnership is the U.S. dollar. A U.S. Partner's distributive share of profits or losses realized by the Partnership on the conversion of non-U.S. currency into U.S. dollars generally will be treated as ordinary income or loss rather than capital gain or loss. Further, if the Partnership acquires, or becomes the obligor under, a debt instrument or enters into certain other transactions, any of which is denominated in terms of a currency other than the U.S. dollar, fluctuations in the value of that currency relative to the U.S. dollar generally will result in foreign currency gain or loss. Any foreign currency gain or loss realized by the Partnership generally will be treated as ordinary income or loss rather than capital gain or loss, and any taxable U.S. Partner will be subject to U.S. federal income tax on its allocable share of such income or loss.

U.S. Reporting by U.S. Partners That Are Owners of Non-U.S. Entities. U.S. persons could be subject to U.S. tax reporting requirements with respect to any non-U.S. entities in which the Partnership invests. For example, U.S. tax rules impose information reporting requirements on U.S. persons that own, either directly or indirectly under stock attribution rules, more than certain threshold amounts of stock in a foreign corporation; these persons must disclose, among other things, various transactions between themselves and those foreign corporations. For purposes of these information reporting requirements, stock ownership is determined with regard to certain stock attribution rules, and each U.S. Partner is treated as owning part or all of the stock owned directly or indirectly by the Partnership. Similar reporting requirements apply to U.S. persons that (i) own, directly or indirectly, more than certain threshold amounts of certain foreign financial assets including, but not limited to stocks, securities and partnership interests in non-U.S. entities or (ii) contribute, in their capacity as Partners, more than a certain threshold amount to a non-U.S. partnership during a 12-month period. In certain circumstances, these rules could require U.S. Partners to file reports annually. U.S. Partners generally will be responsible for satisfying these information reporting requirements.

Special Considerations Applicable to Tax-Exempt Investors

In general, income recognized by a tax-exempt investor is exempt from U.S. federal income tax, except to the extent of the entity's UBTI. With exceptions for certain types of entities, UBTI is generally defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the entity is a partner) and "unrelated debt-financed income." Unrelated debt-financed income generally consists of income or gain derived (directly or through a partnership) by a tax-exempt entity from property with respect to which there is "acquisition indebtedness." A tax-exempt Limited Partner will generally be subject to tax on its allocable share of income earned by the Partnership that would be considered UBTI if earned directly by such Limited Partner. However, the investment strategy of the Partnership is not expected to result in

the recognition of UBTI because the Partnership will not utilize leverage (other than short-term liquidity borrowing) and because it is not expected to invest in partnerships or other pass-through entities.

However, there is no absolute guarantee that a tax-exempt Limited Partner will not derive UBTI in connection with its investment in the Partnership and the General Partner is not obligated to structure the Partnership's investments or take any other action to prevent or minimize UBTI.

Special Considerations Applicable to Non-U.S. Investors

Unless the Partnership engages in a trade or business within the United States, none of the income it earns or gains it realizes (except as noted below) will subject a non-U.S. Limited Partner to U.S. federal income tax. A fund such as the Partnership could be treated as being engaged in a trade or business within the United States based on its own activities or on the activities of another flow-through entity in which it invests. The General Partner does not intend to have the Partnership engage (directly or indirectly) in a trade or business, or enter into any relationship that would be deemed to be a trade or business, within the United States. Accordingly, the Partnership anticipates, although there can be no assurance, that its net income and gains will not subject a non-U.S. Limited Partner to U.S. federal income tax. If the Partnership were considered to be engaged in a U.S. trade or business, a non-U.S. Limited Partner would be required to file a U.S. federal income tax return and pay U.S. tax in the same manner as a U.S. person on its allocable share of the Partnership's income that was treated as effectively connected with that U.S. trade or business. In the case of a non-U.S. Limited Partner that is a foreign corporation, an additional 30% branch profits tax would be imposed in certain circumstances. In addition, in such event the Partnership would be required to withhold taxes from the income or gain allocable to such non-U.S. Limited Partner. Any amounts so withheld would reduce amounts otherwise distributable to such non-U.S. Limited Partner.

A non-U.S. Limited Partner's allocable share of income from U.S. sources of any dividends and any interest, which is not either paid with respect to an obligation with an original maturity of 183 days or less or "portfolio interest," will be subject to 30% U.S. federal withholding tax, unless such rate is reduced under an applicable tax treaty and such non-U.S. Limited Partner establishes that it is entitled to the benefits of such treaty. Portfolio interest is any interest paid by a U.S. person on a debt obligation in registered form, provided that (1) in the case of debt issued by a corporation, the Limited Partner does not actually or constructively own 10% or more of the total combined voting power of all classes of the issuer's stock that are entitled to vote, (2) in the case of debt issued by a partnership, the Limited Partner does not actually or constructively own a 10% or more capital or profits interest in the issuer and (3) the non-U.S. Limited Partner provides the Partnership with certain documentation as to its non-U.S. status, including IRS Form W-8BEN or a suitable substitute therefor.

A non-U.S. Limited Partner will not be subject to U.S. federal income tax on its allocable share of gains the Partnership recognizes on the sale or exchange of stock and other securities other than certain stock in so-called U.S. real property holding corporations. Special rules could apply to a non-U.S. Limited Partner that (1) has an office or other fixed place of business in the United States to which such gain is attributable or (2) is a former citizen or resident of the United States, a controlled foreign corporation, a foreign insurance company that holds Interests in connection with its U.S. business, a passive foreign investment company, or a corporation that accumulates earnings to avoid U.S. federal income tax, or (3) in the case of an individual non-U.S. Limited Partner, is present in the U.S. for 183 days or more in the year of such sale, exchange or redemption and certain other requirements are met. These persons in particular are urged to consult their U.S. tax advisers before investing in the Partnership.

FATCA

Under legislation enacted on March 18, 2010, commonly referred to as the U.S. "Foreign Account Taxpayer Compliance Act" or "FATCA," and Treasury guidance implementing such legislation, the Partnership could be required to withhold 30% of "withholdable payments" received by the Partnership that are distributable to certain non-U.S. Limited Partners. This 30% withholding tax will apply to withholdable payments made to a "foreign financial institution" ("FFI") unless the FFI enters into an agreement with the IRS to collect and provide to the IRS on an annual basis substantial information regarding its United States accounts (which include certain equity and debt holders, as well as certain account holders that are foreign entities with U.S. owners), qualifies as deemed-compliant under an intergovernmental agreement entered into by the country in which it is resident and the United States, or otherwise qualifies for an exception. An FFI includes any foreign entity that is a depositary institution, custodial institution, insurance company issuing cash-value life insurance or annuity contracts, or collective investment vehicle. The 30% withholding tax will also apply to withholdable payments made to a foreign entity that is not a FFI (a non-financial foreign entity or "NFFE") unless the entity provides the withholding agent with a certification identifying itself and, in certain cases, its substantial U.S. owners, which generally includes any U.S. person who directly or indirectly owns more than 10% of the entity, or an exception applies. The term "withholdable payment" includes any payment of interest, dividends, and, beginning January 1, 2019, the gross proceeds of a disposition of stock (including a liquidating distribution from a corporation) or debt instruments, in each case with respect to any U.S. investment; however, proposed U.S. Treasury Regulations, which could be relied upon by taxpayers, eliminate FATCA withholding on payments of gross proceeds. Each investor will agree, as part of its subscription for Interests, to provide any information and/or documentation requested by the Partnership to comply with FATCA and to bear any FATCA withholding taxes that apply with respect to such investor's Interest as a result of its failure to comply with FATCA and/or provide correct documentation. The Partnership will use reasonable efforts to ensure that any non-U.S. entity in which it invests has complied with FATCA so that the Partnership does not indirectly bear FATCA withholding taxes with respect to U.S.-source withholdable payments earned by that entity.

Elections, Returns, Administrative Proceedings

Under the Partnership Agreement, the General Partner has discretion to make certain elections under the Code. For example, the General Partner is permitted to make an election under Section 754 of the Code. If the General Partner makes such an election, the basis of assets owned by the Partnership must be adjusted in the event of a sale by a Partner of an interest in the Partnership or upon certain other events. Because such an election once made cannot be revoked without the consent of the IRS and because of the accounting complexities that result from such an election, there can be no assurance that the General Partner will make an election under Section 754 of the Code.

The Partnership generally will be required to adjust the basis of its assets in the same manner as if a Section 754 election were in effect upon transfers of Interests in the Partnership at a time when (i) the adjusted tax basis of the Partnership's assets exceeds their fair market value by more than $250,000 or (ii) the transferee Partner would be allocated a loss of more than $250,000 (assuming the partnership assets were sold for cash at fair market value immediately following such transfer). In lieu of the adjustment described in clause (i) of the preceding sentence, if the Partnership qualifies as an "investment partnership," as defined in Section 743 of the Code, the Partnership could elect to preclude the transferee of the Interest in the Partnership from deducting its allocable share of any loss realized by the Partnership on the sale or exchange of Partnership assets to the extent the transferor Partner realized a loss on the original transfer of its Interest in the Partnership. Although the Partnership expects that it will qualify as an "investment partnership," there can be no assurance that it will be able to do so. In addition, because of the limited relief provided by such election and the complexity required to determine the amount of loss that the transferee partner could not deduct, the Partnership reserves the right to determine that such election should not be made.

The Partnership will be required to file informational income tax returns with the IRS. The Partnership will provide a final Schedule K-1 to each Partner as soon as practicable following the close of the taxable year for the Partnership.

The General Partner will be the "partnership representative" of the Partnership. As such, the General Partner will decide how to report certain items on the tax returns filed by the Partnership. Limited Partners generally will be required under the Code to treat those items consistently on their returns, unless they file a statement with the IRS disclosing the inconsistency. Any informational return filed by the Partnership is subject to audit by the IRS. Any such audit could lead to adjustments to the return filed by the Partnership and, ultimately, to the Partners' returns. An audit by the IRS of items of income, gain, loss, and deduction of the Partnership must be conducted at the partnership level, rather than the partner level.

The General Partner, as the tax partnership representative of the Partnership, will have considerable authority to make decisions affecting the tax treatment and procedural rights of all Limited Partners. For example, the General Partner will have the right on behalf of the Limited Partners to extend the statute of limitations relating to the Limited Partners' tax liabilities attributable to their investment in the Partnership. In addition, Limited Partners in some cases could be bound by a determination made by the IRS or a court of competent jurisdiction at the Partnership level even though they did not participate in such action.

Reportable Transactions

Taxpayers engaging in certain transactions, including certain loss transactions above a threshold, could be required to include tax shelter disclosure information with their annual U.S. federal income tax return. It is possible the Partnership will engage in transactions that subject the Partnership and potentially its Partners to such disclosure. A Partner disposing of an Interest in the Partnership at a taxable loss could also be subject to such disclosure. Although the Partnership does not expect to engage in transactions solely or principally for the purpose of achieving a particular tax consequence, there can be no assurance that the Partnership will not engage in transactions that trigger these reporting rules. Potential investors should consult their own tax advisers regarding such reporting requirements.

An excise tax and additional disclosure requirements could apply to certain tax-exempt entities that are "parties" to certain types of reportable transactions (referred to as "prohibited tax shelter transactions"). A notice issued by the IRS provides that a tax-exempt investor in a partnership will generally not be treated as a "party" to a prohibited tax shelter transaction, even if the partnership engages in such a transaction, if the tax-exempt investor does not facilitate the transaction by reason of its tax-exempt, tax indifferent or tax-favored status. There can be no assurance, however, that the IRS or Treasury Department will not provide guidance in the future, either generally or with respect to particular types of investors, holding otherwise.

A tax return preparer cannot sign a return without itself incurring a penalty unless either in its view each position taken on such return is more likely than not to be sustained if challenged by the IRS or such position is separately disclosed on the return. The Partnership could adopt positions that require such disclosure, which could increase the likelihood the IRS will examine the Partnership's tax returns, or could forego otherwise valid reporting positions to avoid such disclosure, which could increase the tax payable by a Partner. Prospective investors should consult their own tax advisors regarding such legislation.

Future Legislation

The U.S. federal income tax consequences attendant to an investment in the Partnership could be modified by legislative, judicial, or administrative action at any time, including by way of amendments to legislation presently pending before Congress. Any such change could be retroactive and could adversely affect the Partnership or the U.S. federal income tax consequences associated with an investment in the Partnership.

THE FOREGOING DISCUSSION ADDRESSES ONLY THE FEDERAL INCOME TAX CONSEQUENCES OF GENERAL APPLICATION TO AN INVESTMENT IN THE PARTNERSHIP. THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF INTERESTS IN THE PARTNERSHIP ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES ALSO COULD VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH PARTNER. ACCORDINGLY, PARTNERS ARE URGED TO CONSULT, AND MUST RELY UPON, THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF INTERESTS IN THE PARTNERSHIP, INCLUDING THE APPLICABILITY OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY PENDING OR PROPOSED LEGISLATION.

OTHER TAX CONSIDERATIONS

State and Local Taxes

In addition to the U.S. federal income tax consequences discussed above, prospective investors should consider the state and local tax consequences to them of an investment in the Partnership. A Limited Partner's distributive share of the Partnership's taxable income or loss generally will be required to be included in determining the Limited Partner's taxable income for state and local tax purposes in the jurisdiction in which it is resident. However, state and local laws could differ from the federal income tax law with respect to the treatment of specific items of income, gain, loss, and deduction from a partnership.

[The General Partner of the Partnership is located in California. California generally exempts from personal income tax income derived from "qualifying investment securities" of an "investment partnership" by an individual partner who is not a resident of California. The Partnership intends to qualify as an "investment partnership" and intends to invest predominately in "qualifying investment securities." However, it is possible that income from certain investments will not qualify as income derived from "qualifying investment securities." Accordingly, there is no assurance that an individual Limited Partner who is not a resident of California would be exempt from California personal income tax with respect to his share of the Partnership's income.][2]

Prospective investors should consult their own tax advisors with respect to the potential state and local tax implications to them of an investment in the Partnership.

Foreign Taxes in General

It is anticipated that the Partnership will make certain investments outside of the United States, as discussed in more detail elsewhere in this Memorandum. The General Partner intends to use commercially reasonable efforts to structure the Partnership's investments in non-U.S. jurisdictions to reduce the host country and overall foreign tax burden on the Limited Partners' returns on such investments. For example, the General Partner has the ability to utilize subsidiaries of the Partnership through which all or a portion of the Partners' capital will be funded. However, given the potential diversity of host country tax considerations and/or the particular tax attributes of one or more of the Limited Partners, there can be no assurance that the tax liability to one or more of the Limited Partners attributable to a particular Partnership investment will not be substantial.

Neither the General Partner nor the Partnership is providing tax advice with respect to the potential foreign tax implications of an investment in the Partnership. Prospective investors should consult their own tax advisors with respect to the potential foreign tax implications to them of an investment in the Partnership. A non-U.S. person considering acquiring an Interest in the Partnership should consult his, her or its own tax advisors as to the United States federal, state and local tax consequences of an investment in the Partnership, as well as the tax consequences of an investment in the Partnership arising under the laws of his, her or its country of citizenship, residence or incorporation.

In addition, tax-exempt Limited Partners should consider the impact on investment returns due to their inability to benefit from credits for foreign taxes paid with respect to such tax-exempt Limited Partners' allocable shares of income (other than UBTI, if any) generated by foreign investments.

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[2] Note to Sprott: Please confirm with your state/local counsel. If none, we're happy to inquire internally. [Please inquire internally] [Note to Sprott: We reviewed internally and unfortunately do not have state and local tax experts to assist. Please let us know if you would like any recommendations for accounting firms if KPMG cannot assist here either.]

EMPLOYEE BENEFIT PLAN CONSIDERATIONS

THIS DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. IT IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT CAN BE IMPOSED ON A TAXPAYER. A TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. REFERENCES TO "PARTNERSHIP" BELOW SHALL REFER TO EITHER THE MAIN PARTNERSHIP AND/OR THE PARALLEL PARTNERSHIP, AS APPLICABLE.

General

The fiduciary responsibility standards and prohibited transaction restrictions of ERISA apply to most employee retirement and welfare benefit plans maintained by private corporate employers (hereinafter sometimes referred to as "ERISA plans"). Although ERISA does not (with certain exceptions) apply to certain types of plans, such as individual retirement accounts, plans covering only self-employed individuals (*i.e.*, sole proprietors and partners) and their respective spouses, or corporate plans covering only a corporation's sole shareholder and his or her spouse, these plans (as well as most ERISA plans) are subject to the prohibited transaction excise tax provisions of Section 4975 of the Code, which are substantially similar to the prohibited transaction restrictions of ERISA. Neither ERISA nor Section 4975 of the Code applies to employee benefit plans established or maintained by government entities, plans established and maintained by churches or certain entities associated with churches, plans maintained outside the U.S. primarily for the benefit of nonresident aliens, and certain other plans excluded by statute. However, certain employee benefit plans could be subject to laws or regulations that are substantially similar to ERISA or Section 4975 of the Code ("Similar Laws"). An investing employee benefit plan that is not a "benefit plan investor" will be required to represent whether or not such plan is subject to Similar Laws.

The following summary of certain aspects of ERISA and Section 4975 of the Code is based upon the statutes, judicial decisions, and regulations and rulings of the U.S. Department of Labor ("DOL") in existence on the date hereof. This summary is general in nature and does not address every issue under ERISA or Section 4975 of the Code applicable to the Partnership or a particular investor. Accordingly, each prospective Limited Partner should consult with its own counsel in order to understand such issues affecting the Partnership or the Limited Partner.

Investment Considerations

The assets of the Partnership will be invested in accordance with the investment policies and objectives described in this Memorandum. Accordingly, an authorized fiduciary of an employee benefit plan proposing to invest in the Partnership should, in consultation with its advisors, consider whether the investment would be consistent with the terms of the plan's governing documents and applicable law. The fiduciary of an ERISA plan, for example, should give appropriate consideration to the role that an investment in the Partnership would play in the plan's portfolio, taking into consideration whether the investment is designed reasonably to further the plan's purposes, the risk and return factors associated with the investment, the composition of the plan's total investment portfolio with regard to diversification, the liquidity and current return of the plan's portfolio relative to its anticipated cash flow needs, and the projected return of the plan's portfolio relative to its objectives. Whether or not the plan is subject to

ERISA, the fiduciary also should consider, among other things, (i) the fact that the Partnership consists of a diverse group of investors (possibly including taxable and tax-exempt entities) and that the General Partner necessarily will not take investment objectives of any particular Limited Partner that are not consistent with those of the Partnership into account in managing Partnership investments, (ii) limitations on the plan's right to withdraw or transfer Interests, (iii) the implications arising from whether or not the assets of the Partnership are treated as "plan assets" for purposes of ERISA and Section 4975 of the Code, and (iv) the tax effects of an investment in the Partnership.

As described elsewhere in this Memorandum, the General Partner will be entitled to receive Carried Interest Distributions. The appropriate fiduciary of an investing plan should satisfy itself that it understands the Carried Interest Distributions and the risks associated with them and that an investment in the Partnership is prudent and in the interests of the plan, taking the Carried Interest Distributions into account. The fiduciary of an investing plan will be required to represent, among other things, that it understands and agrees to the fee arrangements described in the Memorandum, including the Management Fee and the Carried Interest Distributions, and has obtained information (and has had the opportunity to request additional information) regarding such arrangements and the associated risks, as necessary to enable the fiduciary to conclude that such fee arrangements are reasonable and consistent with the interests of the plan.

NEITHER THE GENERAL PARTNER NOR THE PARTNERSHIP IS RESPONSIBLE FOR DETERMINING, AND NEITHER OF THEM MAKES ANY REPRESENTATION REGARDING, WHETHER A PURCHASE OF INTERESTS IS A PRUDENT OR SUITABLE INVESTMENT FOR ANY EMPLOYEE BENEFIT PLAN.

Prohibited Transactions

A purchase of an Interest by an employee benefit plan having a relationship with the General Partner or any of its affiliates outside the Partnership could, under certain circumstances, be considered a transaction prohibited under ERISA or Section 4975 of the Code or under a Similar Law or other federal, state, local, foreign or other law. In addition, the prohibited transaction restrictions of ERISA prohibit a fiduciary of a plan from causing the plan to engage in a transaction if the fiduciary knows or should know the transaction would involve a "party in interest" of the plan. "Parties in interest" of an ERISA plan include, among others, persons providing services to the plan and certain affiliates of such persons. Transactions between ERISA plans and parties in interest that are prohibited include, among others, any direct or indirect sale or exchange of property between the plan and a party in interest and any transfer of plan assets to, or use of plan assets by or for the benefit of, a party in interest. Section 4975 of the Code prohibits substantially similar transactions between plans subject to that Section and "disqualified persons" of such plans, defined to include substantially the same persons as parties in interest for ERISA purposes. Although the General Partner believes that the Partnership itself should not be considered a party in interest (or disqualified person) with respect to investing plans subject to ERISA or Section 4975 of the Code, the application of ERISA, Section 4975 of the Code, or applicable state laws depends upon the particular facts and circumstances of each situation.

If the General Partner or any of its affiliates serves as a fiduciary for a prospective investor that is an employee benefit plan subject to ERISA, or Section 4975 of the Code or a fund or other entity whose assets are deemed to include "plan assets" of such plans (see "- *Plan Assets*" below), a fiduciary for that plan or entity who is independent of the General Partner and its affiliates must make the decision to invest in the Partnership (without reliance on any investment advice provided by the General Partner) and must execute the Subscription Agreement on behalf of the plan or entity. Such fiduciary also will be required to represent that neither the General Partner nor any of its affiliates, agents, or employees (i) exercises any authority or control with respect to the management or disposition of assets of the plan used to purchase the Interest, (ii) renders investment advice for a fee (pursuant to an agreement or understanding that such advice will

serve as a primary basis for investment decisions and that such advice will be based on the particular investment needs of the plan), with respect to such assets of the plan, or has the authority to do so, or (iii) is an employer maintaining or contributing to, or any of whose employees are covered by, the plan. In addition, an authorized fiduciary of such plan could be required to represent, among other things, that the plan's purchase and holding of Interests will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or under any Similar Law or other federal, state, local, foreign or other law applicable to the plan and its investments.

"Plan Assets"

ERISA and regulations issued by the DOL indicate that, if a plan subject to ERISA or Section 4975 of the Code acquires an "equity interest" (such as an Interest) in a private investment fund or similar entity (such as the Partnership), and if benefit plan investors in the aggregate hold 25% or more of the value of any class of equity interests in The Partnership, The Partnership's assets will be treated as "plan assets" for purposes of the fiduciary responsibility standards and prohibited transaction restrictions of ERISA and the parallel prohibited transaction excise tax provisions of Section 4975 of the Code. In such case, each investing plan subject to ERISA or Section 4975 of the Code will be considered to hold an undivided interest in each of the Partnership's underlying assets and, consequently, each investment the Partnership makes and each transaction in which the Partnership engages will be treated as if the investment or transaction is made directly by or for each of the investing plans.

ERISA defines the term "benefit plan investor" for purposes of the 25% computation described above to include employee benefit and other plans subject to ERISA and/or Section 4975 of the Code, as well as private investment funds and other entities whose underlying assets are treated as "plan assets" of such plans. (In addition, assets of the general account of an insurance company could, in certain circumstances, be considered "plan assets.") ERISA and the regulations require that any equity interests held by a person having discretionary authority or control over the assets of the entity or providing investment advice for a fee with respect to such assets or any affiliate of such person (as defined in the DOL regulations), other than interests held by such person through a benefit plan investor, be disregarded in making the 25% computation.

The General Partner has the right, in its discretion, to permit or restrict investments in the Partnership by benefit plan investors. The General Partner presently intends to restrict investments by benefit plan investors so that the assets of the Partnership will not be treated as "plan assets" for purposes of ERISA or Section 4975 of the Code. Because the 25% limit described above (which excludes Interests held by the General Partner or certain affiliates of the General Partner, also as described above) is ongoing, not only can initial or additional investments by benefit plan investors be restricted, but existing benefit plan investors could be required to withdraw their Interests if other investors withdraw their Interests. Such rejections or mandatory withdrawals will be effected in such manner as the General Partner, in its discretion, determines to be reasonable and appropriate under the circumstances.

It is possible that benefit plan investor Limited Partners who are eligible to invest in a new issue will hold 25% or more of any such investment. In such case, depending on the particular circumstances, such new issue could be treated as "plan assets" of such benefit plan investors, regardless of whether the assets of the Partnership as a whole are treated as "plan assets." If any new issue is treated as a "plan asset" of a benefit plan investor, the General Partner will take such steps as it determines to be necessary or advisable to manage the same in accordance with applicable requirements of ERISA and Code Section 4975.

Certain ERISA Considerations if Partnership Assets are "Plan Assets"

Although it is not anticipated that the assets of the Partnership will be treated as "plan assets," the General Partner, in its discretion, is permitted to choose not to restrict investments in the Partnership by benefit plan investors. If at any time benefit plan investors are permitted to acquire 25% or more of the value of any class of Interests, the General Partner and any other person exercising discretionary authority over the Partnership or its assets will be a "fiduciary" (as defined by ERISA) with respect to investing plans subject to ERISA and will be subject to the obligations and liabilities imposed on fiduciaries by ERISA. The General Partner also would be subject to certain restrictions on self-dealing and conflicts of interest and would be required to avoid causing the Partnership to engage in transactions with parties in interest of investing ERISA plans and disqualified persons of investing plans subject to Section 4975 of the Code, unless an exemption applies. If and during any such time as the assets of the Partnership are treated as "plan assets," the General Partner will use commercially reasonable best efforts to discharge its duties consistent with applicable requirements of ERISA and Section 4975 of the Code.

Considerations for Non-Plan Investors

Prospective investors should note that this summary does not include a discussion of any laws, regulations, or statutes that apply to prospective investors that are not employee benefit plans or that impose fiduciary responsibility requirements in connection with the investment of assets of governmental plans and other plans not subject to ERISA or Section 4975 of the Code. Such investors should consult their own professional advisers about these matters.

FIDUCIARIES OF EMPLOYEE BENEFIT PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA, SECTION 4975 OF THE CODE, OR OTHER APPLICABLE LAW OF AN INVESTMENT IN THE PARTNERSHIP.

THE SALE OF INTERESTS TO AN EMPLOYEE BENEFIT PLAN IS IN NO RESPECT A REPRESENTATION BY THE PARTNERSHIP OR THE GENERAL PARTNER THAT AN INVESTMENT IN THE PARTNERSHIP MEETS APPLICABLE LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY EMPLOYEE BENEFIT PLANS GENERALLY OR ANY EMPLOYEE BENEFIT PLAN IN PARTICULAR.

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ADDITIONAL INFORMATION

The Main Partnership and Parallel Partnership will make available to any prospective Limited Partner any additional information that the Main Partnership and/or Parallel Partnership possesses, or can acquire without unreasonable effort or expense, to verify or supplement the information set forth herein.