

Supplementary Disclosure Document

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RELATIONSHIP DISCLOSURE

Longbow Capital Inc. ("**Longbow**") is an investment management firm focused on investments in the North American markets through a series of closed end investment funds (the "**Fund**" or "**Funds**"). Longbow is registered as an exempt market dealer, investment fund manager and portfolio manager under National Instrument 31-103. This document contains important information about your relationship with Longbow and is provided in connection with your purchase of units of the Fund. If there is a significant change to the information contained in this document Longbow will provide you with updated information by sending an updated document by email (if you have provided us with your consent and an email address) or by mail.

Products and Services

Longbow is registered as a portfolio manager, allowing it to provide portfolio management services to the Fund, and as an investment fund manager, allowing it to manage the day-to-day business affairs of the Funds. In addition, Longbow is registered to act as an exempt market dealer, which allows clients to engage Longbow to facilitate their investment in the Fund using exemptions from the prospectus requirements of applicable securities laws.

The products Longbow offers its clients are proprietary in nature. Due to the limitations of product offerings, a product offered by Longbow may not be suitable for the client.

Client Accounts

Longbow does not maintain ongoing client accounts for investors and will not execute trades in securities with clients, other than the purchase of units of the Fund. Longbow does not charge any fees in its role as an exempt market dealer, nor does it receive any compensation or commission for the sale of units of the Fund to investors.

However, in its role as the investment adviser and investment fund manager of the Fund, Longbow will recover certain operating costs from the Fund and may receive management fees from the Fund as described in the Limited Partnership Agreement of the Fund. Longbow receives no other compensation in relation to its activities as a portfolio manager, investment fund manager and exempt market dealer.

Client Assets and Investment Fund Assets

Longbow does not hold client assets in normal course. Where possible, certificates for investment in Longbow Funds are held by the investor or their agent. Longbow must use a custodian in respect of investment fund's cash or securities. The custodian must be a Canadian Custodian. A Canadian Custodian is defined as (a) a bank listed in Schedule I, II or III of the Bank Act (Canada); (b) a trust company that is incorporated under the laws of Canada or a jurisdiction of Canada and licensed or registered under the laws of Canada or a jurisdiction of Canada, and that has equity, as reported in its most recent audited financial statements, of not less than $10,000,000. All investment fund cash is held in bank accounts under the limited partnership name with the Bank of Montreal, a Schedule I bank. Annually we receive written confirmation from our custodian, RBC Investor Services Trust, that they qualify under this definition. Bank accounts are in the name of the investment fund or the general partner. Securities are registered in RBC's nominee name, in trust for the fund.

Where it is not possible for a Canadian Custodian to hold client assets, such assets are held either in a fireproof safe for short periods of time or at a vault located on the premises of a Canadian Schedule I bank for longer periods of time. Such securities are confirmed via written confirmation on an annual basis, at a minimum. In cases where securities are held in a safe or vault, risk of loss, theft, damage or misplacement are higher than if they were held with a custodian and there may be lack of investor protection coverage available.

Suitability and "Know Your Client" Requirements

As an exempt market dealer, unless waived by a Permitted Client, Longbow has an obligation to assess whether a purchase of units of the Fund is suitable for you, prior to making a recommendation to purchase an investment in

the Fund or at any other time. To meet this suitability obligation, Longbow is required to obtain certain client information to ensure compliance with the Know Your Client ("**KYC**") obligations under Canadian securities regulations, as well as anti-money laundering legislation. In this regard, Longbow must document and verify the identity of all clients, determine whether the client is an insider of a publicly traded issuer and obtain sufficient personal and financial information to make a determination of the suitability of a particular security for you prior to executing the transaction. Such information includes your investment needs and objectives, financial circumstances, and risk tolerance.

Should Longbow become aware or suspect that an investor is engaged in money laundering, it is our duty to report the details to the Financial Transactions and Reports Analysis Centre of Canada ("**FINTRAC**"). This reporting will not be deemed a breach of our privacy policy or any other prohibition that is imposed by law or otherwise.

Reporting

Within 90 days after the end of each fiscal year, Longbow will also provide financial statements of the Fund, and tax reporting (T5013 or T3 slips) in order for such investors to prepare any tax filings.

Longbow does not publish comparisons of the results of the Fund to benchmarks because there are no published widely available benchmarks with similar investment strategies, risk, liquidity, capitalization, and valuation methodologies.

Longbow will deliver to you a written confirmation of each purchase of units of the Fund.

Longbow will provide you statements of account regarding your holdings in the Fund every three months. For each transaction made for you during the period covered by the statement, Longbow will provide the following information:

- Date of the transaction;
- Type of transaction;
- Name of the security;
- Number of units purchased;
- Price per unit; and
- Total value of the transaction.

In addition, an account statement will include the following information as at the end of the period for which the statement is made:

- Name and quantity of each class or series of units held;
- Estimated net asset value per unit of each investment; and
- Total net asset value of the position in the Fund.

Longbow must provide each investor an Investment Performance Report which includes: market value of all cash and securities as at the end of the reporting period; cash received for subscriptions in the period; Cash distributed (or market value of securities distributed *in specie*) in the period; annual change in the market value of the investment; and the annualized total percentage return for the investor's account calculated net of charges, using a money-weighted rate of return calculation methodology. This reporting is included in the quarterly reporting.

Purchase of Units with Borrowed Money

The regulatory authorities require dealers to provide their clients with a warning regarding the greater risks involved in borrowing money to purchase securities, as follows:

Borrowing money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Conflicts of Interest

The conflicts of interest described in this relationship disclosure are those arising from Longbow's role as an exempt market dealer in respect of the marketing and sale of the Fund. Further, if a reasonable investor would expect to be informed of the nature and extent of an identified conflict of interest, Longbow must do so.

Longbow must take reasonable steps to identify existing material conflicts of interest and any material conflicts that the firm reasonably expects to arise between the firm and a client. As part of identifying these conflicts, Longbow collects information from the individuals acting on its behalf regarding the conflicts they expect to arise with their clients. Some of these conflicts are inherent in the business model that is used by Longbow. It will seek to avoid or minimize conflicts where reasonably possible. However, some conflicts cannot be avoided and, although others could be avoided, Longbow has chosen to manage them. In any event, Longbow must resolve a conflict in the best interest of the client.

The purpose of this disclosure is to provide clients of Longbow with a description of the conflicts of interest Longbow may encounter as a registrant firm with roles as a portfolio manager, investment fund manager and exempt market dealer. The following are some of the more significant conflicts of interest that may affect the service we provide to you:

Investments in Products Sold by other Funds managed by Longbow:

In the rare circumstance whereby Longbow is the investment fund manager and portfolio manager for the fund(s) purchasing securities from and the fund(s) selling securities to the other fund(s) managed by Longbow, a material conflict of interest arises (the "Inter-Fund Transaction"). This Inter-Fund Transaction is subject to the self-dealing restrictions under subparagraph 13.5(2)(b)(iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103").

In the rare circumstance of a proposed Inter-Fund Transaction, Longbow will take the following steps to address this conflict in the best interest of its clients:

(a) Regulatory exemption. Longbow will seek exemptive relief from the Alberta Securities Commission and the Ontario Securities Commission pursuant to section 15.1 of NI 31-103 (Re Longbow Capital Inc., 2026 ABASC 84), permitting the Inter-Fund Transaction to proceed subject to specified conditions.

(b) Fair pricing. Longbow will seek to ensure the price of the transaction is fair and equitable for both parties using arm's length data, wherever possible.

(c) Independent Review Committee. Longbow will refer the Inter-Fund Transaction to an independent review committee (the "IRC") constituted in accordance with National Instrument 81-107 Independent Review Committee for Investment Funds. The IRC will review the transaction and provide the determinations required under NI 81-107 prior to the Inter-Fund Transaction proceeding.

(d) LPAC approval. If existing Longbow funds participating in the Inter-Fund Transaction have an established limited partner advisory committees ("LPACs"), Longbow will obtain LPAC approval prior to proceeding with the Inter-Fund Transaction.

(e) No additional remuneration. Longbow will receive no remuneration in connection with the Inter-Fund Transaction beyond its existing carried interest entitlement or management fees from the funds, which is unchanged.

Investments in Certain Related Issuers

Longbow often takes an active role in its portfolio companies by seeking significant ownership positions and board representation. Longbow undertakes to disclose all potential conflicts between the Fund and related issuers to investors at the time of investment and every quarter thereafter. In general, officer or director positions with other

issuers are permitted only under those circumstances where it would not place Longbow or its personnel in a position which may conflict with their ability to act in the best interest of the Fund.

When Longbow employees serve as a board representative of a portfolio company, a material conflict of interest may arise as the board director owes a fiduciary duty to the portfolio company and they are also obligated to act honestly, in good faith and in the best interest of partnerships managed by Longbow and the client who invest in these partnerships. As a result, this dual role creates a potential material conflict of interest and in order to mitigate this conflict, Longbow has established a set of policies board nominees are required to consider including the following:

i) Abstain from voting on contracts or transactions in situations when such contract or transaction presents a material conflict of interest between Longbow and its clients and the portfolio company;
ii) Consider establishing 'Chinese' walls between the nominee director and other employees of Longbow as may be required to address or avoid potential conflicts of interest;
iii) Require the nominee director to resign as a nominee director if the conflict of interest arising from this dual role cannot be resolved in the best interest of Longbow's clients.

In cases where Longbow requires board representation of an investee company, any fees earned by the nominee board representative resulting as a consequence of them serving on the board of the investee company as Longbow's nominee, will be allocated and paid to Longbow's client(s) via the investee Fund in accordance with the limited partnership agreement of such Fund and in proportion to such Funds ownership at the time of payment.

Fair Allocation Among Accounts

When Longbow acts as portfolio manager, it may aggregate orders for a number of funds managed by Longbow for the purchase of a particular security. A conflict of interest can arise when the quantity of a security available for purchase is insufficient to satisfy the requirements of each fund wishing to purchase the security, or the quantity of a security available to be sold for a number of funds is too great to be completed at the same price on a market. Longbow has adopted a Fairness Policy to handle this conflict and it is available for review on page 9.

Best Execution and Use of Client Brokerage Commissions

When placing orders for or on behalf of its funds, Longbow will select those brokers/dealers from whom they reasonably expect to obtain best execution (including considering transaction costs and inventory). Longbow complies with applicable regulatory requirements regarding the use of client brokerage commissions, which are designed to ensure that the funds receive reasonable benefit from such transactions, taking into consideration the goods and services received and the amount of brokerage commission paid.

Sale of Proprietary Products

There is an inherent conflict of interest for Longbow to trade in, or recommend, proprietary products. In order to ensure Longbow addresses this conflict in the best interests of the client, as new investment funds are initiated by Longbow, Longbow will conduct periodic due diligence as needed on comparable non-proprietary products available in the market and evaluate whether the firm's proprietary products are competitive with these alternatives by using metrics such as performance and/or fees.

Fees and Portfolio Valuation

Longbow charges its funds a management fee for acting as investment fund manager and portfolio manager, which in certain circumstances can be calculated as a percentage of the fund net asset value (if lower than cost and subsequent to the investment period). Longbow is responsible for the valuation of the funds' assets and for determining the net asset value of their portfolios, which, in such circumstances, will determine the amount of management fees payable by a fund. Longbow adheres to its Valuation Policy, which is available upon request.

Personal Trading/Co-investing

In some circumstances, Longbow personnel are able to invest in the same securities as the funds (or invest in the same investment funds). Longbow has policies and procedures in place restricting Longbow personnel from trading in the securities that may be deemed to pose a conflict and to ensure that funds have preferential access to all investment and disposition opportunities.

Controlling Interest in Investments

In some circumstances, a fund or group of funds managed by Longbow may collectively own more than 20% of an issuer and therefore Longbow would have significant influence over the decision making of the issuer. In addition, Longbow may have significant influence over those issuers considered to be related or connected (see page 5). Longbow will use its discretion when exerting its influence affecting these investments, taking into account the best interest of the funds.

Related and Connected Issuers

Securities laws of certain jurisdictions of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules.

"Related issuer" means, in respect of Longbow, an issuer of securities over which Longbow exercises a controlling influence (for example, through the ownership of, or direction or control over voting securities) or an issuer of securities that exercises a controlling influence over Longbow. In this context, the term "influence" means having the power, directly or indirectly, to exercise a controlling influence over the management and policies of the company, whether alone or in combination with one or more other persons or companies. In some jurisdictions, some connected issuers may be considered related issuers.

Longbow currently has the following related issuers:

- Any and all of the limited partnerships and funds of which Longbow provides administrative services for, at any time (Longbow exercises controlling influence)
- 1814711 Alberta Ltd. (United Pacific Projects) (Longbow funds collectively have ownership in excess of 20%)
- Air Drilling Associates, Inc. (Longbow funds collectively have ownership in excess of 20%)
- Alpha Flowback Corp. (Longbow funds collectively hold debt instruments, which if converted, would result in ownership in excess of 20%)
- Amped Up Power Solutions, LLC (Longbow funds collectively have ownership in excess of 20%)
- Arcus Power Corp. (Longbow funds collectively have ownership in excess of 20%)
- Cool Capital Holdings LP (3C Datalec) (Longbow funds collectively have ownership in excess of 20%)
- Godin Royalty Co. (Longbow funds collectively have ownership in excess of 20%)
- Max Flow Chemicals of Texas, LLC (Longbow funds collectively have ownership in excess of 20%)
- Mission Environmental Service Group Inc. (Longbow funds collectively have ownership in excess of 20%)
- Moore Pipe (2015) Inc. (Longbow funds collectively have ownership in excess of 20%)
- North 40 Resources Ltd. (Longbow funds collectively have ownership in excess of 20%)
- Remote Power Corp. (Longbow funds collectively have ownership in excess of 20%)
- Vertex Resource Group Ltd. (Longbow Funds collectively hold debt instruments, which if converted, would result in ownership in excess of 20%)
- VoltaGrid Holdings, Inc. (Longbow funds collectively have ownership in excess of 20%)
- Xoleum Energy Services Corporation (Longbow funds collectively have ownership in excess of 20%)
- XXIII Capital Inc. (a related party to Longbow and Executive Chairman and Director of Longbow has ownership in excess of 20%) and, as a result, any and all of the limited partnerships and funds of which XXIII Capital Inc. provides administrative services for, at any time

"Connected issuer" means, in respect of Longbow, an issuer that has, or any related issuer of which has, any indebtedness to, or other relationship with (i) Longbow, (ii) a related issuer of Longbow, or (iii) a director, officer or partner of Longbow or (iv) a director, officer or partner of a related issuer of Longbow that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities. Accordingly, an issuer is "connected" to Longbow if, due to indebtedness or other relationships, a prospective purchaser of securities of the connected issuer might question the independence of Longbow from the issuer.

The Manager is a connected issuer to:

- Any and all of the limited partnerships and funds of which Longbow is a manager, at any time, including the Fund
- 1814711 Alberta Ltd. (United Pacific Projects) (Tyson Birchall and Matthew Cunning are on the board of directors of the company)
- Air Drilling Associates, Inc. (Matthew Cunning is on the board of directors of the company)
- Amped Up Power Solutions, LLC (Matthew Cunning is on the board of managers of the company)
- Arcus Power Corp. (Michael Ciaramella is on the board of directors of the company)
- Clir Renewables Inc. (Michael Ciaramella is on the board of directors of the company)
- Cool Capital Holdings LP (3C Datalec) (Matthew Cunning is on the board of directors)
- Cool Capital Intermediate Inc. (3C Datalec) (Matthew Cunning is on the board of directors)
- Coop Capital Parent Inc. (3C Datalec) (Matthew Cunning is on the board of directors)
- Global Power Technologies Inc. (Matthew Cunning and Tom Farran are on the board of directors of the company)
- Headwater Exploration Inc. (Chandra Henry is on the board of directors of the company)
- Max Flow Acquisition Corp. (Tyson Birchall is on the board of directors of the company)
- Mission Environmental Service Group Inc. (Michael Ciaramella is on the board of directors of the company)
- Moore Pipe (2015) Inc. (Michael Ciaramella, Freddy Vlot are on the board of directors of the company)
- North 40 Resources Ltd. (Tyson Birchall is on the board of directors of the company)
- North West Refining Ltd. (Tyson Birchall is on the board of directors of the company)
- Remote Power Corp. (Matthew Cunning, Freddy Vlot are on the board of directors of the company)
- Ryde Financial Ltd. (Curtis Birchall is on the board of directors of the company)
- Spur Petroleum Ltd. (Scott Birchall is an executive officer of the company)
- VoltaGrid Holdings, Inc. (Tyson Birchall is on the board of directors of the company)
- VG Enterprises Holdings LLC (Tyson Birchall is on the board of managers of the company)
- Xoleum Energy Services Corporation (Matthew Cunning is on the board of directors of the company)

What to do if you have a complaint

1. Filing a complaint with us

If you have a complaint about our services or a product, contact us at:

Longbow Capital Inc.
Suite 701, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9
Attention: Chief Compliance Officer
Telephone: 403-264-1888

Tell us what went wrong, when it happened and what you expect. You can help us resolve your complaint sooner by making your complaint as soon as possible, by replying promptly if we ask you for more information, and by keeping copies of all relevant documents, such as letters, emails, and notes of conversations with us.

2. We will acknowledge your complaint

We will acknowledge your complaint in writing, as soon as possible, but within 5 business days of receiving your complaint if possible. We may ask you to provide clarification or more information to help us resolve your complaint.

3. We will provide our decision

Our goal is to provide a written response, within 90 days of receiving a complaint. Our response will include a summary of the complaint, the results of our investigation; our response and an explanation of our response. If we cannot provide you with our response within 90 days we will inform you of the delay, explain why our response is delayed and give you a new date for our response.

4. If you are not satisfied with our decision

You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments ("**OBSI**"). This service is available at no cost to investors. If you are a Québec resident, you may consider the free mediation service offered by the Autorité des marchés financiers.

5. Taking your complaint to OBSI

OBSI's service is available for free to clients of our firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

You have the right to use OBSI's service if:

- Your complaint relates to a trading or advising activity of our firm or by one of our representatives;
- You brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint; and,
- You file your complaint with OBSI according to its time limits:
  - (a) If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.
  - (b) If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

To file a complaint with OBSI, contact them at:

Email: ombudsman@obsi.ca

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

The OBSI will investigate. OBSI works confidentially and in an informal manner. It is not like going to court, and you do not need a lawyer. During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigations.

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us. OBSI can recommend compensation of up to $350,000. If you want to recover more than $350,000, you may want to consider another option, such as legal action, to resolve your complaint.

For more information about OBSI, visit www.obsi.ca

FAIRNESS POLICY

The purpose of this policy is to ensure fairness in the allocation of investment opportunities among the Longbow Funds in situations where two or more Longbow Funds participate simultaneously in a transaction involving the same security. Longbow endeavors to maintain the highest standards of integrity in all aspects of dealings with its investors. Longbow, and each of its directors, officers, employees, and agents, must make every effort to deal fairly, honestly and in good faith with each of the Longbow Funds.

When a determination is made to purchase or sell a security, the decisions as to which of the Longbow Funds will participate in the transaction, and in what amounts will be based on a number of factors, including:

a) The characteristics of the proposed investment;

b) The consistency of the proposed investment with investment mandate of that particular Longbow Fund's portfolio and the investment strategy adopted by Longbow to fulfill such mandate;

c) The expected liquidity of such investment;

d) The targeted liquidation and distribution dates of the particular Longbow fund's portfolios;

e) The present and desired structure of each portfolio, including existing levels of portfolio ownership in the proposed investment and other investments with similar characteristics;

f) The availability and need for cash;

g) The buying power or financial capacity of such Fund;

h) Market conditions; and

i) Other practical considerations.

Once the decisions have been made as to the Funds that will participate in the transactions, and the amount of each such participation, Longbow will, in situations where the investment opportunity available is not sufficient to satisfy the aggregate participations determined above, allocate the investment opportunity first to older Funds or pro rata across the selected client portfolios based on the proportion that each portfolio's participation bears to the total participation of all client portfolios participating in such transaction.

However, no rigid formula is expected to be applicable at all times. As such, a degree of flexibility in allocations is expected and necessary. Under certain circumstances allocation on a basis other than pro rata is permitted, if fair and reasonable having regard to the factors described above. In these cases, the Chief Compliance Officer will document the allocation method used and the basis for why this method is considered fair in the circumstances. At all times, however, Longbow must use reasonably commercial efforts to avoid the appearance of favouritism or discrimination.

PRIVACY POLICY

Introduction and Scope

Longbow considers matters relating to the protection of your personal information and your privacy to be extremely important. Yet, in order for Longbow to conduct the Fund's business and to manage the General Partner's and the Fund's relationship with you as a limited partner, Longbow on behalf of the General Partner and Fund will need to collect, store, use and disclose some of your personal information. Longbow has developed this Privacy Policy to inform you of the manner in which your personal information will be collected, used and disclosed. By providing personal information to us and by dealing with us with knowledge of this Privacy Policy, we will assume that you have consented to the collection, use and disclosure of your personal information in accordance with this Privacy Policy unless you advise us otherwise.

General

We will only collect, use, and disclose your personal information as permitted by law. Often this will require that Longbow obtain your consent for the collection, use and disclosure. However, in certain limited circumstances your consent is not required. Longbow reserves the right to collect, use and disclose your personal information without your consent or knowledge in those limited circumstances where your consent or knowledge is not required by law.

Collection

Unless otherwise required or permitted by law or unless otherwise set out in this Privacy Policy (i) we will only collect your personal information directly from you and (ii) when we collect your personal information, we will inform you of the uses and disclosures that we intend to make of your personal information. However, we may not inform you of the uses and disclosures we will make of your personal information if those uses and disclosures are readily apparent at the time we collect the personal information. As an example, it should be readily apparent to you at the time you provide your mailing address to us that we will use your mailing address to correspond with you. As well, the various documents that are provided to you prior to or at the time of your signing of the limited partnership agreement for the Fund (or agreements and documents ancillary thereto) may set out or imply certain other uses and disclosures of your personal information. These will be considered to be uses and disclosures that are readily apparent to you.

We will collect, use, and disclose your social insurance number in order to comply with Canada Revenue Agency income tax reporting requirements but for no other purpose.

Use

We will only use your personal information as described in this Privacy Policy. As well, Longbow will use your personal information in order to meet the general objects of the Fund that have been communicated to you and to conduct the business of the Fund in the ordinary course and to manage its relationship with you.

Unless you inform us otherwise, we will assume that you consent to the foregoing uses. If you withdraw your consent, then we may not be able to properly correspond with you or otherwise properly manage our relationship with you.

Disclosure

We will only disclose your personal information as described in this Privacy Policy.

Under privacy law, we are entitled to disclose your personal information without your consent in the event the Fund transfers or is considering transferring control of its operations to another organization (including through amalgamation) and Longbow reserves the right to transfer and disclose your personal information to that organization. However, Longbow will require that the organization agree that it will be similarly bound by the provisions of this Privacy Policy and that it will only use and disclose your personal information as Longbow is similarly entitled under this Privacy Policy.

Longbow may work with other organizations towards some common purpose consistent with the objects of the Fund. In that case, it may be necessary for Longbow to disclose your personal information to these organisations. However, Longbow will require that these other organizations agree that they will be similarly bound by the provisions of this Privacy Policy and that they will only use and disclose your personal information as necessary for the common purpose. Unless you inform us otherwise, we will assume that you consent to the foregoing type of disclosure. If you withdraw your consent, then we may not be able to properly involve you in certain of our programs.

Set out below are certain other circumstances where we may disclose your personal information when required by law, whether or not you consent to such disclosure. These are:

- Longbow may disclose your personal information to comply with securities legislation, including the disclosure of your personal information at the request of securities regulators; and

- Longbow may disclose your personal information to comply with legislation relating to money laundering, anti-terrorism and proceeds of crime, including the disclosure of your personal information at the request of investigative authorities.

Longbow Capital Inc.

Pursuant to a Management Services Agreement that has been entered into between the General Partner, the Fund and Longbow (the "**Manager**"), the Manager will provide management services to manage and direct the day-to-day business, operations, and affairs of the Fund with the exception of investment decisions, which will be made by the General Partner. The Fund will disclose your personal information to the Manager. As well, the Manager may collect your personal information. However, the Fund will require that the Manager agree that it will be similarly bound by the provisions of this Privacy Policy and that it will only collect, use, and disclose your personal information as needed to manage and direct the day-to-day business, operations, and affairs of the Fund and for no other purpose.

Other Service Providers

Longbow may engage other service providers to assist the Fund in its activities, including, without limitation, legal counsel, accountants, auditors, investment advisors and information technology service providers. As such, it may be necessary for Longbow to disclose your personal information to these service providers. As well, these service providers may collect your personal information. However, Longbow will require that these service providers agree that they will be similarly bound by the provisions of this Privacy Policy and that they will only collect, use, and disclose your personal information as needed to provide the services and for no other purpose.

Contact Information

If you have any questions regarding our privacy practices, please contact Chandra Henry at (403) 264-1888.

RISK FACTORS

An investment in the Fund is speculative and involves certain risks, as highlighted below. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Units in the Fund. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The Fund's returns may be unpredictable and, accordingly, the Fund's investment program is not suitable as the sole investment vehicle for an investor. An investor should only invest in the Fund as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss. A prospective investor should consult legal, tax and/or financial advisors prior to investing in the Fund.

Risks associated with the Units

Illiquidity of Units and restrictions on transfer

Units in the Fund are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Units offered hereby for an indefinite period of time. The Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to significant restrictions on transfer. The Units will be subject to "hold periods" under applicable securities legislation and, as the Fund is currently not a "reporting issuer" in any province or territory, the "hold periods" may never expire. There is no market for the Units and none is expected to develop.

Additional restrictions on transfer

Limited Partners will not be permitted to transfer their Units without the consent of the General Partner, which may be withheld in the General Partner's sole discretion, and the satisfaction of certain other conditions, including an opinion of counsel that such a transfer would not subject the Fund or the Partners to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation. Withdrawals from the Fund are not permitted.

Tax treatment of Units

Federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Units or the Portfolio Securities issued to the Fund. The alternative minimum tax could limit tax benefits available to Limited Partners. There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Limited Partners.

Tax characterization

The characterization of the gains (or losses) realized by the Fund on the disposition of Portfolio Securities and other investments as: (i) capital gains (or capital losses); (ii) income gains (or losses); (iii) allowable business investment losses; or (iv) capital gains from the disposition of shares of small business corporations (which may be eligible for shelter by a Limited Partner's "lifetime capital gains exemption"), will depend largely on factual considerations. Management will endeavor to make appropriate characterizations of dispositions based on information reasonably available to it. However, there is no certainty that the manner in which the Fund characterizes such dispositions will be accepted by the CRA. If it is subsequently determined that the Fund's characterization of a particular disposition was incorrect, Limited Partners might suffer material adverse tax consequences as a result.

Prospective investors are urged to consult their own tax advisors with respect to their tax situation and the effects of this investment. There can be no assurance that the structure of the Fund or any of the investments made by the Fund will be tax efficient for any particular investor or that any relevant tax authority will not contest the liability of the Fund or any Limited Partner to pay tax or make any tax filings under applicable law. Further, in

general, tax laws, rules and procedures are extremely complex and are subject to changes, which in some cases may have a retroactive effect. See "Canadian Federal Income Tax Considerations".

Change in tax residency or status

Non-residents, U.S. Residents, and Tax Shelters are not entitled to own Units of the Fund and where there is, or there is the possibility that, the tax residency or status of a Limited Partner will change, such Limited Partner may be required to forfeit their Units. If a Limited Partner becomes or is deemed to become a "Non-Resident" or Tax Shelter within the meaning of the Tax Act, or if its Units are transferred by operation of law, or deemed to have been transferred, to a "Non-Resident" or Tax Shelter within the meaning of the Tax Act, such Limited Partner will be deemed to have automatically and irrevocably ceased to be a Limited Partner and the Units held by a Limited Partner will be required to be sold to a third party or to the Fund, in accordance with the Fund Agreement, upon such terms and in such manner as the General Partner may in its sole discretion consider appropriate. All voting and distribution rights attached to such Units will be suspended and the rights of the affected Limited Partner will be limited to receiving the net proceeds of sale of such Units and sums held on deposit in the Segregated Account for such Limited Partner. See" Summary of the Fund Agreement – Transfer of Units and Restrictions on Ownership".

Risk of Using Borrowed Money

Securities may be purchased using available cash or a combination of available cash and borrowed money. If available cash is used to pay for the securities in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities purchased. Using borrowed money to purchase securities can magnify the gain or loss on the cash invested.

It is important that you are aware of the terms of any loan you make that is secured by securities. The lender may require that the amount outstanding on the loan does not rise above an agreed percentage of the market value of the securities. Should the percentage increase due to decline in the market value of the securities, you will be required to pay down the loan so as to return the loan to the agreed percentage. Money is also required to pay interest on the loan. Under these circumstances, investors who use borrowed money to purchase securities are advised to have adequate financial resources available both to pay interest and also to reduce the loan if borrowing arrangements require such a payment.

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

In general, the extent of the risk of using borrowed money to purchase securities will vary depending on an investor's circumstances, its risk and return objectives, and the securities and other investments purchased. **The use of borrowed money may not be suitable for all investors.**

Risks Associated with the Fund

Nature of investment

An investment in the Fund requires a long-term commitment, with no certainty of return. Investments made by the Fund may not generate current income. Therefore, the return of capital and the realization of gains, if any, from an investment generally will occur upon the partial or complete realization or disposition of such investment. While an investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of the Fund's investments will not occur for a number of years after such investments are made. The Fund expects to invest in securities which are illiquid and subject to resale restrictions. These investments are subject to various risks, particularly the risk that the Fund will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Fund may be prohibited or limited by contract from selling investments for a period of time, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. Furthermore, the types of investment being made may require a substantial length of time to liquidate. There can be no assurance that a

public market will develop for any of the Fund's investments or that the Fund will otherwise be able to realize such investment.

No assurance of investment return

There is no assurance that the Manager will be able to generate returns for Limited Partners or that returns will be at levels currently anticipated by the Manager. The expenses of the Fund may exceed its investment returns, and the Limited Partners could lose the entire amount of their contributed capital.

Valuation of the Fund's Investments

Valuation of the Fund's securities may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of the Fund could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities. Valuation determinations will be made in good faith in accordance with the Fund Agreement.

The Manager does not intend to adjust the Net Asset Value of the Fund retroactively.

Lack of operating history

The Fund has been established in connection with this offering and has no operating history. The past investment performance of management and other Longbow Funds should not be construed as a guarantee or expectation of future results of any investment in the Fund. Although the Longbow principals have significant experience and had success in making investments in the energy industry through the other Longbow Funds, the past performance of the other Longbow Funds is not necessarily indicative of future results for the Fund's investments. There can be no assurance that the investments to be made by the Fund will be profitable. Total loss of the investment is possible.

Dissolution of the Fund

Although the Fund may have an expected dissolution date, circumstances may change such that either the dissolution of the Fund occurs earlier or the term of the Fund is extended in accordance with the Fund Agreement. If dissolution occurs earlier, the Fund may not have been in existence for the period of time necessary to achieve the investment objectives of the Fund. Alternatively, if the term of the Fund is extended, Partners will be required to wait to receive their entitlements (if any) under the Fund Agreement.

Reliance on the Manager

All decisions with respect to the Fund's assets and the operations of the Fund are expected to be made exclusively by the Manager or the General Partner in its absence. Limited Partners will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Fund's business and affairs. No prospective investor should purchase a Unit in the Fund unless such prospective investor is willing to entrust all aspects of the management of the Fund to the General Partner and the Manager. Certain personnel of the General Partner and the Manager and their respective affiliates may work on other projects and, therefore, conflicts may arise in the allocation of management resources.

Dependence on investment professionals

The success of the Fund will depend in large part upon the skill and expertise of the investment professionals and other personnel employed by the Manager. There can be no assurance that such personnel will remain with the Manager. The loss of one or more of these individuals could have a significant adverse impact on the business of the Fund.

Reliance on management

The Manager will monitor the performance of the investments and maintain an ongoing dialogue with the investments' management teams. However, it will be primarily the responsibility of the management of the investee

companies to operate the business on a day-to-day basis. There can be no assurance that management teams will be able to operate the investee companies successfully.

Loss of limited liability

Although the Fund Agreement provides that Limited Partners will have no right to participate in the management of the Fund or to make any decisions with respect to the investments to be made by the Fund, Limited Partners may lose their limited liability protections in certain circumstances if they are deemed to have taken part in the control or management of the business of the Fund. Limited liability may also be lost as a result of false statements in documents filed under, or other non-compliance with, legislation governing limited partnerships and in jurisdictions where there is a risk of non-recognition of the protection of limited liabilities with respect to creditors of the Fund whose claims derive from liabilities incurred in such jurisdictions.

Lack of independent counsel representing limited partners

The Fund, the General Partner and the Manager have consulted with and retained for their benefit legal counsel to advise them in connection with the formation and terms of the Fund and the offering of Units. Limited Partners have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that the Limited Partners could benefit by further independent review, such benefit will not be available unless individual Limited Partners retain their own legal counsel.

Liability for return of distributions

Generally, the Limited Partners do not have personal liability for the obligations of the Fund. However, under applicable law, Limited Partners could be required to return distributions previously made by the Fund if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Fund Agreement. Where a Limited Partner has received the return of all or part of the amount contributed to the Fund, the Limited Partner is nevertheless liable to the Fund or, where the Fund is dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Fund to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Limited Partners may have to return all or a portion of distributions made to them to the extent the Fund has an obligation to withhold any amounts from such distribution for tax purposes.

Distributions

Although the Fund expects to distribute not less than 50% of Taxable Income (net of any Taxable Losses) realized in any one calendar year, such distributions may not be made to such extent or at all, in which case Partners might be required to fund any tax liability arising from any taxable income allocations from sources other than distributions from the Fund.

In addition, due to potential timing differences between income recognition for tax purposes and actual cash distributions, it is possible that a Limited Partner may incur tax liabilities in excess of actual cash distributions made prior to the date the liability arises or the tax is due.

Distributions in kind

Although, under normal circumstances, the Fund intends to make distributions in cash, it is possible that under certain circumstances, including the liquidation of the Fund, distributions may be made in kind and could consist of securities for which there is no readily available public market.

Recourse to the Fund's assets

The Fund's assets, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The General Partner, the Manager and their respective officers, directors, agents, shareholders, partners, employees, subcontractors and affiliates, including management, are entitled to indemnification, except under certain circumstances, from the Fund. Limited Partners may be required to make capital contributions or return distributions to satisfy such obligations, which obligations survive the dissolution of the Fund. Such indemnification obligations could decrease the returns which would otherwise be available to the Limited Partners of the Fund.

While the General Partner has agreed to indemnify the Limited Partners under certain circumstances, the General Partner has nominal assets and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

Effect of expenses on returns

The Fund will bear all expenses related to its operations. Such expenses will reduce the actual returns to the Limited Partners. Most of the expenses will be paid regardless of whether the Fund produces positive investment returns. If the Fund does not produce significant positive investment returns, these expenses could result in a Limited Partner incurring a net loss in its investment.

Conflicts of interest

There may be occasions when the Longbow Parties encounter conflicts of interest in connection with the Fund's activities, including where the Manager is providing advisory (or other business) services to or has another business relationship with the investee company. There may be conflicts in allocating investment opportunities among the Fund and other funds managed by Longbow. As well, conflicts may arise with respect to decisions affecting an investee company's capital structure, including workout decisions. In a bankruptcy proceeding, it is possible that the Fund's interests may be subordinated or otherwise adversely affected by virtue of the involvement or actions of such other participants.

The Fund Agreement permits the General Partner and Manager (and other Longbow Parties) to take actions to resolve a material conflict of interest without the approval of the Limited Partners provided that each of the Longbow Parties use reasonable best efforts to resolve any such conflict of interest as equitably as possible under the prevailing facts and circumstances. There is no independent committee or other persons representing the Limited Partners in situations involving conflicts of interests between the Longbow Parties, other Longbow Funds and/or the Limited Partners. Accordingly, the Limited Partners are relying on the ability, honesty and integrity of Tyson Birchall and other Longbow Parties to resolve any such material conflicts of interests, which resolutions might have been different had the interests of Limited Partners been represented by independent persons in such circumstances.

Lack of regulatory oversight

The Fund is not subject to any regulatory oversight in Canada.

Possibility of fraud or other misconduct of employees or service providers

Misconduct by employees of the General Partner, the Manager, service providers to the Fund and/or their respective affiliates could cause significant losses. Misconduct may include, but is not limited to, entering into transactions without authorization; the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to the investments being considered by the Fund, and the improper use or disclosure of confidential or material non-public information; non-compliance with applicable laws or regulations; and the concealing of any of the foregoing. Such misconduct could result in reputational damage, litigation, business disruption and/or financial losses. While the Manager has controls and procedures in place to minimize such risks, no assurances can be given that the General Partner or the Manager will be able to identify and prevent such misconduct.

Registration

The Canadian Securities Administrators have implemented changes to the Canadian legislative framework in order to harmonize, streamline and modernize the registration regime for participants in capital markets across all Canadian provinces and territories. These changes prohibit anyone who is in the business of trading or advising in securities, including the Fund, from trading in a security or acting as adviser unless that Person or company is registered in the appropriate category of registration under applicable securities legislation or an exemption from one or more of the registration requirements is available. In addition, these changes also require all managers of public and private investment funds to be registered regardless of whether they are also involved in the business of dealing or advising in securities.

The performance of the Fund's investment portfolio could be materially adversely affected, and risks involved in financing investments could substantially increase, if the General Partner and/or the Fund becomes subject to further registration requirements, due to the various burdens of compliance therewith and certain legal prohibitions imposed on registrants.

Risks associated with Fund's investments

Investments in public companies

Should an investee company go public or be acquired in a share-for-share transaction with a public company, the Fund's investment portfolio may contain securities issued by publicly held companies or their affiliates. The risks involved with investing in such companies differ in type and degree from those involved with investments in private companies. Risks include, but are not limited to, potentially greater volatility in the valuation of such companies, greater disclosure obligations regarding such companies, limitations on the Fund's ability to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members or significant shareholders, and the increased costs associated with each of these risks.

Investments in early stage companies

Investee companies may have limited operating history and may have significant fluctuations in operating results. They may need substantial additional capital to set up infrastructure, hire management and personnel, support expansion, or achieve or maintain a competitive position. Investee companies may face intense competition, including competition from companies with greater financial, human and technical resources. Investee companies may be more volatile than potential competitors due to limited operating and financial history, relative lack of financial resources, or their susceptibility to major setbacks or downturns.

General economic conditions

Current general economic conditions, including the possibility of recession in Canada, the United States and the rest of the world, together with the possibility of worldwide market disruptions to the credit and financial markets, may adversely affect the Fund's activities and its investments. Interest rates, changes in currency exchange rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value of investments made by the Fund or considered for prospective investment.

World events and economic conditions

Investee companies may be sensitive to adverse changes in the overall economy or in the energy industry, including the oil and gas sector. In particular, terrorist attacks and recessionary economic conditions could affect these businesses. In addition, those circumstances may create uncertainties in the financial markets that could adversely affect the ability of the Fund to realize on its investments and the values that may be realized. Further, certain economic factors specific to an investee company may have an adverse effect on the Fund's investment in that company.

Effects of bankruptcy

An investee company may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases or similar proceedings which must be factored into the investment decision include, but are not limited to, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the Fund could suffer a loss of all or a part of the value of its investment. A bankruptcy filing may adversely and permanently affect an investment. An investee company could lose key employees or material contracts, and the liquidation value may not equal the liquidation value that was believed to exist prior to the making of the initial investment.

Anti-corruption laws and regulations

Operating abroad may subject investee companies to foreign anti-corruption laws and regulations, including, but not limited to, Canada's Corruption of Foreign Public Officials Act and the United States' Foreign Corrupt Practices Act. As a result, investee companies may be exposed to the risk of violating these laws and regulations, which could result in criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts, as well as other remedial measures. Violations of foreign anti-corruption laws and regulations could adversely affect an investee company's reputation, business, financial condition and results of operations, which would, by implication, adversely affect the Fund's investment.

Hedging policies and commodity price risks

Investee companies may employ hedging techniques designed to reduce the risks of adverse movements in commodity prices, interest rates, and currency exchange rates. Unanticipated changes in commodity prices, interest rates, and currency exchange rates may result in poorer overall performance for the Fund than if it had not entered into such hedging arrangements.

Foreign exchange risk

The functional currency of the Fund will be the Canadian dollar. All capital contributions to be made by the Limited Partners will be in Canadian dollars and all cash distributions from the Fund will be denominated in Canadian dollars. Consequently, the value of a Limited Partner's Unit and of the investments made by the Fund may vary due to fluctuations in currency exchange rates.

Risk arising from provision of managerial assistance

The Fund might seek the right to participate substantially in and/or to influence substantially the material business decisions made by an investee company. In connection therewith, the Manager may designate representatives of an affiliate of the Fund or the Manager to serve on the board of directors. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by an investee company, its security holders and its creditors. While the Manager intends to manage the Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded. In general, the Fund will indemnify the General Partner and the Manager (and related Persons) from such claims.

Material, Non-Public Information

By reason of their providing advisory (or other business) services to investee companies, or by any other reason, there may be occasions when the Longbow Parties, including the Manager, acquire confidential or material non-public information. The Fund will not be free to act upon any such information. As a result, the Fund may not be able to initiate a transaction that it would have otherwise initiated and may not be able to sell an investment that it would have otherwise sold.

Risks upon dispositions of investments

In connection with the disposition of an investment, the Fund may be required to make representations about the business and financial affairs of an investee company to purchasers of such investment. To the extent that any such

representation turns out to be inaccurate, these arrangements may result in contingent liabilities of the Fund, which may ultimately have to be funded by the Limited Partners to the extent that such contingent liabilities exceed the reserves and other assets of the Fund and such Limited Partners have received prior distributions from the Fund.

Leverage

To the extent that an investee company utilizes a leveraged capital structure, the investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a decrease in commodity prices, a downturn in the economy or deterioration in the condition of the company or the overall industry. In the event that an investee company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Fund's investment could be significantly reduced or even eliminated.

Concentration of investments in limited sectors

In cases where the Fund's investments are concentrated to one company, the investment may involve greater exposure to certain risks than the exposure generally associated with more diversified investment funds, and may result in greater fluctuations in returns. Instability, volatility, or significant unforeseen events in the energy sector or related subsectors may not be readily balanced or offset by investments in other companies, industries or markets not so affected.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should consult their own counsel and financial advisors before deciding to invest in the Fund.

Neither the Fund, the General Partner, the Manager nor any other Longbow Party or any affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Units having regard to any such investment needs and objectives of the potential investor.