Flow-through shares have helped grow Canada’s resource sector since the early 1950’s. The use of flow-through funds was originally established to incentivize the resource sector to explore for oil, natural gas, and minerals. Canadian resource companies are permitted to fully deduct specific exploration and development expenses, known as Canadian Exploration Expense (CEE) and Canadian Development Expense (CDE). These companies issue flow-through shares to investors in order to raise capital, and in turn renounce (or “flow-through”) the CEE or CDE write-offs to these investors who are then able to deduct these expenses against their own income. Canoe’s flow-through limited partnerships (FTLPs) invest solely in energy entities.

The advantages of adding energy flow-through investments to your portfolio include:

- The reduction of taxable income
- The potential for capital appreciation
- Exposure to the energy sector through a diversified, actively managed portfolio of public and private energy companies
What is the difference between CEE and CDE flow-through shares?

Canadian Exploration Expense (CEE) flow-through shares fund exploration drilling to discover new oil and natural gas reservoirs and other exploration-related expenses.

Canadian Development Expense (CDE) flow-through shares fund drilling into existing oil and natural gas reservoirs and other development-related expenses.

We expect the supply of CDE flow-through to increase and the supply of quality CEE flow-through to decrease because energy companies have larger development inventories, so the vast majority of capital expense in the industry is classified as CDE.

*Canoe was one of the first to offer a separate CDE investment fund, and we continue to believe that the advantages of CDE flow-through investments outweigh the difference in timing of the tax deductions.*

<table>
<thead>
<tr>
<th></th>
<th>Exploration (CEE)</th>
<th>Development (CDE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Deduction</strong></td>
<td>• 100% tax write-off in year one</td>
<td>• 30% tax deduction in year one, continuing thereafter at a declining rate of 30% per year</td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td>• Higher-risk</td>
<td>• Lower-risk</td>
</tr>
<tr>
<td><strong>Size/Stage of Energy Company</strong></td>
<td>• Generally junior companies in the exploration stage of their life cycle</td>
<td>• Generally larger junior or intermediate companies in the development stage of their life cycle</td>
</tr>
<tr>
<td><strong>Availability</strong></td>
<td>• Limited number of CEE wells given the delineation of the basin</td>
<td>• Larger development inventories</td>
</tr>
<tr>
<td><strong>Premiums Paid</strong></td>
<td>• Typically 18-28% premium to common equity</td>
<td>• Typically 8-12% premium to common equity (related to the difference in timing of the tax deductions)</td>
</tr>
</tbody>
</table>
Flow-Through Break-even Calculations

The break-even proceeds show the value which the investment could decrease to and not result in a loss.

### Break-even Calculation for CEE Units*

<table>
<thead>
<tr>
<th>BC</th>
<th>AB</th>
<th>SK</th>
<th>MN</th>
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<th>NS</th>
<th>PEI</th>
<th>NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Marginal Tax Rate</td>
<td>45.80%</td>
<td>39.00%</td>
<td>44.00%</td>
<td>46.40%</td>
<td>49.53%</td>
<td>46.84%</td>
<td>50.00%</td>
<td>47.37%</td>
</tr>
<tr>
<td>Investment</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Tax on Capital Gains</td>
<td>21</td>
<td>18</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>22</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Less: Tax Savings</td>
<td>(501)</td>
<td>(427)</td>
<td>(481)</td>
<td>(507)</td>
<td>(542)</td>
<td>(512)</td>
<td>(547)</td>
<td>(518)</td>
</tr>
<tr>
<td>Money at Risk</td>
<td>$520</td>
<td>$591</td>
<td>$540</td>
<td>$515</td>
<td>$481</td>
<td>$510</td>
<td>$476</td>
<td>$504</td>
</tr>
<tr>
<td>Break-even Proceeds of Disposition</td>
<td>$674</td>
<td>$734</td>
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<td>$671</td>
<td>$639</td>
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<td>$635</td>
<td>$660</td>
</tr>
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*Please refer to the Canoe 2015 Flow-Through LP prospectus for details on the break-even calculations. The highest marginal tax rates used are for individuals and are based on current federal and provincial rates and existing proposals for 2015.

### Break-even Calculation for CDE Units*

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Flow-Through Investing Explained

The Canoe Flow-Through Difference

Knowledge

- Calgary-based team of energy professionals with long, successful history in the industry
- We are energy professionals investing in energy vs. traditional investment professionals investing in energy

Deal Sourcing

- Deep roots in local business community
- Strong relationships with oil and natural gas executives, formed over many years of business dealings
- Access to exclusive public and private investment opportunities

Flexibility

- Investors can customize their CEE/CDE unit allocation to meet their individual risk tolerance and tax planning strategy
- Achieved by creating two separate funds (CEE and CDE), allowing investors to decide on the level of risk they wish to take
Flow-Through Investing Explained

Rafi G. Tahmazian  
Senior Portfolio Manager

- Over 25 years of investment management experience
- Former partner, Vice Chairman and Managing Director of FirstEnergy Capital Corp.

David Szybunka, CFA  
Associate Portfolio Manager

- Associate PM of Canoe Flow-Through Limited Partnerships, Canoe Energy Alpha Limited Partnership, Canoe Energy Class & Canoe Energy Income Class mutual funds
- Strong finance and research experience, specializing in analysis of junior and intermediate oil & natural gas operations
- Formerly with Peters & Co., Canadian Natural Resources Ltd.
Why Canoe Flow-Through Limited Partnerships?

**Unique Investment Criteria**

- Energy-only focus with a preference for lower-risk CDE over CEE investments, and therefore lower premiums
- Investment strategy focused primarily on fundamental investment merits, followed by tax benefits
- Invest in energy companies that offer:
  - Experienced management team with a proven track record
  - Clearly defined use of proceeds; detailed exploration or development capital program, rather than debt reduction
  - Strong underlying asset base combined with prudent debt levels
  - Attractive price relative to Canoe’s internal valuation of the asset base

**Tax-Deferred Mutual Fund Rollover**

- At the end of the investment term, units of Canoe FTLPs are expected to be automatically exchanged for equivalent value of units in a Canoe mutual fund, which may be redeemed at any time
- This exchange, or “rollover”, is a tax-deferred event, meaning that the investment will continue to experience capital appreciation potential without triggering a taxable event

For more information, please contact your investment advisor, or visit www.canoefinancial.com

1-877-434-2796

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