



## 1. WHAT ARE FLOW-THROUGH SHARES?

Flow-through common shares are like any other common share issued and outstanding in a company, except they provide tax benefits to the purchaser. Resource companies issue flow-through shares to investors to fund their exploration and development activities. In return for receiving these funds, the resource company has the obligation to “flow-through” to the purchaser of the flow-through shares the tax deductions it receives upon spending the funds on qualifying exploration and development activities. Except for the initial tax benefits, flow-through shares are indistinguishable from all other common shares of company.

## 2. WHAT TYPE OF COMPANIES CAN ISSUE FLOW-THROUGH SHARES?

Companies actively engaged in oil and gas or mining exploration and development or production and certain alternative energy projects are qualified to issue flow-through shares. Maple Leaf Short Duration 2011-II Flow-Through Limited Partnership (the “Partnership”) will focus its investment capital on mining and energy exploration, development and/or production companies. Maple Leaf sees many opportunities for investment in resource companies formed by experienced and successful executives who have excellent track records in creating shareholder value.

## 3. WHY BUY A PORTFOLIO OF FLOW-THROUGH SHARES?

Buying a professionally managed portfolio of flow-through shares, rather than shares in a few individual companies, reduces the risk inherent in owning only a few stocks, through diversification. In addition, Jim Huang, an experienced “institutional investor”, has established relationships with resource companies that offer flow-through shares and with the investment dealers that manage flow-through share offerings. Therefore, the Partnership may have access to flow-through share offerings that are not available to the general public.

## 4. ARE THE BENEFITS LEGITIMATE?

Yes! The tax benefits associated with flow-through shares are well-accepted in Canada and have been in place through legislation for over 20 years. The other consideration with the Partnership is that the funds invested stay in Canada to be used to create genuine and valuable economic activity and growth within Canada’s resource sector. Further, the tax deductions are only available to those people who pay Canadian taxes. The Partnership and General Partner have received a tax opinion from Borden Ladner Gervais LLP on the structure (see the Prospectus for the full text of this opinion).

## 5. WHAT ARE THE RISKS?

Perhaps the most significant risk is that the energy and resource sectors have typically been a cyclical business. However, energy and resource stocks generally have this fact inherently embedded in their share price. One factor to remember is that with the tax deductions, investors may have a lower effective net “at-risk” capital amount of approximately only 51% (based on the minimum offering) than investors in a conventional portfolio of resource securities (see the Prospectus for a description of Risk Factors associated with an investment in Partnership Units).

## 6. WHAT CORPORATE ACTIVITIES QUALIFY FOR FLOW-THROUGH SHARES?

The government of Canada has stringent requirements that must be met in order to determine whether an activity is development or exploration in nature, the key difference being the amount of write-off allowed. Exploration and certain development activities can be written off at up to 100%. The Companies that the Partnership will invest in will have experience in determining in which classification of activity they are spending flow-through proceeds, and the investment agreements with these companies will require them to spend the funds as agreed.

## 7. WHAT IS ACB (ADJUSTED COST BASE)?

The adjusted cost base or “ACB” of a share is generally what you paid for it. Once you realize the tax deductions, your flow-through shares (and any mutual fund shares received in exchange for your flow-through shares) are deemed to have an adjusted cost base (ACB) of nil, due to the receipt of the tax benefits which will approximately equal your original investment amount. A nil adjusted cost base means that when you calculate your capital gains on the shares, you treat your adjusted cost base as zero; however only half of the capital gain is taxable.

## 8. WHEN WILL I RECEIVE MY TAX DEDUCTION?

Prior to March 31st of the year following the purchase of your flow-through investment, you will be mailed a T5013A federal tax receipt form from your investment dealer.

## 9. HOW MUCH IS MY TAX DEDUCTION FOR THE TAX YEAR IN WHICH I INVEST?

The partnership intends to invest 100% of available funds in flow-through shares. Therefore, the expected tax deduction for a limited partner in the year of purchase is targeted at 100% of the amount invested in Partnership. Because of these anticipated tax deductions, investors may be able to reduce their effective net “at-risk” capital to approximately only 51% of the original investment. (see “Selected Financial Aspects” in the Prospectus of the offering to which you are investing in).



## 10. WHAT ABOUT MY CAPITAL LOSSES FROM OTHER INVESTMENTS?

If you sold investments and created a capital loss that you have not yet claimed, it can be carried back three years and forward indefinitely. This allows you to offset capital gains realized on divestiture of your flow-through investment against these losses, thereby reducing the tax you pay. The capital gains resulting from a sale of your investment, if any, after the initial investment period of approximately 18 to 20 months, can be offset against any unused capital losses you may have.

## 11. ARE THERE ENOUGH QUALITY RESOURCE COMPANIES ISSUING FLOW-THROUGH SHARES?

Yes! Canadian resource companies are undertaking significant drilling activities as strong commodity prices have encouraged exploration and development of resource assets. Mr. Jim Huang, the Partnership's Portfolio Manager believes that this robust level of drilling activity bodes well for continued demand by Canadian mining and energy companies for flow-through equity funding. Financing exploration and development drilling opportunities by way of flow-through share issues enables resource companies to maximize their drilling opportunities in a strong commodity price environment while maintaining low levels of debt.

## 12. WHAT WILL YOUR INVESTMENT FOCUS BE - OIL AND GAS, MINING OR ALTERNATIVE ENERGY?

The Partnership will invest 100% of its available funds in mining and energy exploration, development and/or production companies. The Partnership's Portfolio Manager will weight the portfolio based on industry trends and investment opportunities available to the Partnership. It is anticipated that the Portfolio Manager will initially hold approximately 80% mining and 20% energy sector stocks principally in the province of Québec for the Fall 2011 season.

## 13. WHO MANAGES THE FLOW-THROUGH PORTFOLIO?



Jim Huang, CGA, CFA  
Portfolio Manager

Jim Huang is the President of T.I.P. Wealth Manager and has over 17 years of investment experience. Further, Mr. Huang was previously a Vice-President and portfolio manager at Natcan Investment Management Inc. and its predecessor, Altamira Management Ltd.

Mr. Huang was the portfolio manager of the Jov Diversified Flow-Through 2008-II Limited Partnership which achieved a return on "at-risk capital" of 171.62%, after tax savings from December 31, 2008 to July 31, 2009 making this the # 1 performing flow-through fund in Canada for 2007, 2008 & 2009.

In addition, Mr. Huang has extensive experience managing mutual funds focused on the resource sector and resource flow-through funds, as well as managing or co-managing over \$2 billion in mutual funds and institutional assets.

## For Further Information

[www.MapleLeafFunds.ca](http://www.MapleLeafFunds.ca)

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*A preliminary prospectus dated September 22, 2011 relating to these securities has been filed with the securities commissions or similar authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of distribution to the public. This release shall not constitute an offer to sell or the solicitation of any offer to buy the securities. This release is provided for information purposes only. Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the Prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Capitalized terms not defined herein have the meanings set forth in the Prospectus.*