GULLFOSS CAPITAL PARTNERS

INC.

Accredited Investor — Definition and Eligibility Criteria

An "Accredited Investor" is defined under **National Instrument 45-106 *Prospectus Exemptions*** ("NI 45-106"), adopted by the Canadian Securities Administrators (CSA). Accredited Investors are permitted to purchase securities, such as units of Gullfoss Capital Partners LP (the "Fund"), that are not offered under a prospectus. The exemption recognizes that Accredited Investors have the financial means and sophistication to evaluate and bear the risks of such investments.

Criteria for Individuals

An individual qualifies as an Accredited Investor if they meet at least **one** of the following:

1. **Financial asset test** — the individual, alone or with a spouse, beneficially owns financial assets (cash, securities and deposits, **excluding real estate**) having an aggregate realizable value, before taxes but net of any related liabilities, exceeding **CAD $1,000,000**;
2. **Income test** — the individual's net income before taxes exceeded **CAD $200,000** in each of the two most recent calendar years (or **CAD $300,000** combined with a spouse), and the individual reasonably expects to exceed that level in the current calendar year;
3. **Net asset test** — the individual, alone or with a spouse, has net assets of at least **CAD $5,000,000** (net assets may include real estate, net of all liabilities); or
4. **Higher financial asset test** — the individual beneficially owns financial assets, as described above, exceeding **CAD $5,000,000**.

Criteria for Corporations and Other Entities

A corporation, partnership, trust or other entity generally qualifies as an Accredited Investor if:

- it has **net assets of at least CAD $5,000,000** as shown on its most recently prepared financial statements; or
- all of the owners of interests in the entity (direct, indirect or beneficial) are themselves Accredited Investors.

In addition, registered advisers and dealers, Canadian financial institutions, governments and their agencies, municipalities, registered charities that have obtained prescribed advice, and certain pension funds and trusts qualify as Accredited Investors under NI 45-106.

Risk Acknowledgement

Individual Accredited Investors (other than those qualifying under the CAD $5,000,000 financial asset test or as "permitted clients") are generally required to complete and sign Form 45-106F9 *Risk Acknowledgement* at the time of subscription, confirming that they understand the investment carries risk and may result in loss.

The definition of Accredited Investor is reviewed periodically by the CSA and the Ontario Securities Commission (OSC) and is subject to change. For the complete definition, please refer to the full text of NI 45-106, available on the OSC website (www.osc.ca).

This document is a plain-language summary provided for convenience only. It is qualified in its entirety by the full text of NI 45-106 and by the Fund's Offering Memorandum and subscription documents, and does not constitute legal advice. Investors should consult their own professional advisers regarding their eligibility.