This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Initial Public Offering October 25, 2010

$10,000,000 (maximum)
$1,000,000 (minimum)

NORTHERN PRECIOUS METALS 2010 LIMITED PARTNERSHIP

10,000 Limited Partnership Units (maximum)
1,000 Limited Partnership Units (minimum)

Minimum Subscription: Five Units ($5,000)
Subscription Price: $1,000 per Unit

The Partnership is a non-redeemable investment fund. Capitalized terms used in this prospectus are defined in the "Glossary of Terms".

The Partnership: Northern Precious Metals 2010 Limited Partnership (the "**Partnership**") has been created under the laws of the Province of Québec for the purpose of offering and issuing limited partnership units (the "**Units**") at a price of $1,000 per Unit (the "**Offering**").

Investment Objectives: The Partnership will invest primarily in Flow-Through Shares of Mining Companies focused primarily on gold exploration or development.

Investment Strategies: The Partnership's investment strategy is to provide for a tax-assisted investment in a diversified portfolio of Flow-Through Shares and other securities, if any, of Mining Companies with a view to achieving capital appreciation for Limited Partners. The Partnership will enter into Share Purchase Agreements with Mining Companies under which such companies will agree to issue Flow-Through Shares and other securities, if any, to the Partnership, incur Canadian Exploration Expense ("**CEE**") in carrying out exploration in Canada and renounce CEE to the Partnership. Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits deductible from tax payable during the 2010 taxation year. See "Glossary of Terms", "Investment Objectives", "Investment Strategies", "Organization and Management Details of the Partnership", "Income Tax Considerations", "Attributes of the Securities", and "Plan of Distribution".

The General Partner: Northern Precious Metals 2010 Inc. (the "**General Partner**") is the General Partner of the Partnership. Subject to the Management Agreement, the General Partner is responsible for the management of the on-going business and administrative affairs of the Partnership in accordance with the terms and conditions of the Partnership Agreement. See "Organization and Management Details of the Partnership - The General Partner".

The Manager and Portfolio Advisor: Northern Precious Metals Management Inc. (the "**Manager**"), an affiliate of the General Partner, and the Promoter of the Partnership, has been retained by the General Partner as investment fund manager of the Partnership in order to manage the business, operations and affairs of the Partnership and as portfolio advisor to the Partnership in order to select potential investments, advise the Partnership and manage the Partnership's portfolio. The Manager has extensive experience and a proven record of managing flow-through limited partnerships similar to the Partnership. The Manager will also be responsible for negotiation of share purchase agreements, and subject to the criteria described under "Investment Objectives" and "Investment Strategies", will select the Mining Companies that will enter into Share Purchase Agreements with the Partnership. See "Organization and Management Details of the Partnership - The Manager and Portfolio Advisor of the Partnership".

The Agent: Secutor Capital Management Corporation, conditionally offers the Units for sale on a best-efforts basis, if, as and when subscriptions are accepted by the Manager, subject to prior sale, in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Partnership and the Manager by Lavery, de Billy, L.L.P., and on behalf of the Agent by Heenan Blaikie LLP.

	Number of Units	Price to public[1]	Agent's fee[2][6]	Proceeds to Partnership[3]
Per Unit	1	$ 1,000	$ 100	$ 1,000
Minimum Subscription	5	$ 5,000	$ 500	$ 5,000
Minimum Offering [4][5]	1,000	$ 1,000,000	$ 100,000	$ 900,000
Maximum Offering [6]	10,000	$ 10,000,000	$ 1,000,000	$ 9,000,000

(1) The Subscription Price per Unit was established by the Manager.

(2) The Agent's fee is equal to 10% of the Offering, comprised of a selling commission of 6.5% and a corporate finance fee of 3.5%. It will be paid from the proceeds of the Loan Facility. The Agent may be entitled to additional fees. See "Plan of Distribution".

(3) The expenses of this Offering, together with the Agent's fee and certain Administrative and Operating Expenses will be paid, in whole or in part, by the Partnership from the proceeds of the Loan Facility. The expenses of the Offering are estimated by the Manager to be $77,400 in the case of the Minimum Offering and $180,000 in the case of the Maximum Offering. The expenses of this Offering to such extent are not deductible in computing income by the Partnership pursuant to the Tax Act for the fiscal period ending December 31, 2010. See "Fees and Expenses - Initial Fees and Expenses" and "Fees and Expenses - Loan Facility"

(4) There will be no Closing unless a minimum of 1,000 Units are sold. If subscriptions for a minimum of 1,000 Units have not been received within 90 days following the date of issuance of a receipt for this prospectus, this Offering may not continue and subscription proceeds will be returned to Subscribers, without interest or deduction. The Offering will not continue after December 31, 2010. The proceeds from subscriptions will be received by the Agent or such other registered dealers or brokers as are authorized by the Agent pending the Initial Closing and any subsequent Closing, if any.

(5) Subscription proceeds will be received by the Agent or such other registered dealers or brokers as are authorized by the Agent and held in trust in segregated account until subscriptions for the Minimum Offering are received and other closing conditions of this Offering have been satisfied.

(6) The Partnership has agreed to grant the Agent an option (the "**Over-Allotment Option**") to offer for sale, exercisable by notice given to the Partnership at any time prior to 30 days after the final closing of the Offering and, in any event, prior to December 31, 2010, a number of Units equal to 15% of the Units issued under the Maximum Offering at the Offering price. If the Agent exercises the Over-Allotment Option in full, the "Number of Units", "Price to public", "Agent's fee" and "Proceeds to the Partnership" will be 11,500, $11,500,000, $1,150,000 and $10,350,000 respectively. This prospectus qualifies the distribution of the Over-Allotment Option and the Units issuable by the Partnership upon the exercise thereof. A Subscriber who subscribes for Units forming part of the Over-Allotment Option subscribes for those Units under this prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Termination of the Partnership: The Manager intends to create liquidity for Limited Partners, if possible, before December 31, 2011, and in any event, within 60 days of December 31, 2011. Liquidity may be achieved by way of any of the following: (1) in the discretion of the Manager, distributing the cash proceeds from the sale of shares of Mining Companies to Limited Partners from time to time on a *pro rata* basis; (2) dissolving and terminating the Partnership by no later than within 60 days after December 31, 2011 after all assets of the Partnership are disposed of, all liabilities of the Partnership discharged and all net proceeds of dispositions distributed. See "Investment Objectives" and "Termination of the Partnership".

THIS IS A SPECULATIVE OFFERING. The purchase of Units involves significant risks, including the use of leverage. There is no assurance of a return on a Subscriber's initial investment. The Units may be suitable only for individuals whose incomes are subject to high marginal tax rates. The Partnership has neither obtained, nor sought, an advance income tax ruling from CRA. There is no public market through which the Units may be sold, and it is unlikely that any such market will develop. Therefore, it may be impossible for purchasers to resell their Units. Limited Partners must rely entirely on the expertise of the Manager in determining the composition of the investment portfolio, in negotiating Share Purchase Agreements, in negotiating the pricing of securities purchased for the Partnership and in disposing of securities. Limited Partners may lose their limited liability in certain circumstances. The Flow-Through Shares issued to the Partnership generally will be subject to resale restrictions. There is no assurance that an adequate market will exist for the Flow-Through Shares acquired by the Partnership due to fluctuations in trading volumes and prices. Limited Partners who sell their Units may not realize proceeds equal to their *pro rata* share of the Net Asset Value because of their liability for tax on capital gains arising as a result of a disposition of Units and due to other market conditions. The Limited Partners must rely on the Manager in determining whether the Partnership will commit funds to specific Mining Companies. The Manager will be entitled to certain fees and payments from the Partnership. The Partnership may not be able to fully invest all of the Available Funds, resulting in the reduction of the tax advantages available to Limited Partners. A Subscriber who does not own Units at the end of a fiscal year of the Partnership will not be able to claim certain tax deductions, his *pro rata* share of any loss of the Partnership and investment tax credits, if any. There can be no assurance that the borrowing strategy, if any, employed by the Partnership will enhance returns. See "Risk Factors" and "Income Tax Considerations". Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of this investment and, in addition to the tax benefits, should consider the investment merits of the Units.

Regardless of any tax advantage that may be obtained from an investment in Units offered under this prospectus, a decision to subscribe should be based on an appraisal of the merits of the investment and on the prospective investor's ability to bear a possible loss. See "Risk Factors".

The Subscription Price is payable in one instalment on the Closing Date. See "How to Subscribe for Units". Subscriptions in excess of the minimum subscription of $5,000 may be made only in multiples of $1,000. Subscription proceeds pursuant to this Offering will be received by the Agent, or such other registered dealers or brokers as are authorized by the Agent, and held in trust in a segregated account until subscriptions for the Minimum Offering are received and other closing conditions of this Offering have been satisfied. If the minimum amount required for this Offering is not subscribed for within 90 days following the date of issuance of a receipt for this prospectus, subscription proceeds will be forthwith returned to the Subscribers, without interest or deduction. The Offering will not continue after December 31, 2010.

Subscriptions will be received subject to allotment by the Agent and subject to acceptance or rejection by the General Partner on behalf of the Partnership, in whole or in part, prior to Closing and subject to the right to close the subscription books at any time without notice. Units will be issued only through the book-based system; accordingly., a Subscriber will receive only a customer confirmation from the registered dealer through whom the Units are purchased. CDS will record the CDS Participants who hold Units on behalf of beneficial owners who have purchased or transferred Units through such CDS Participants in accordance with the book-based system. It is expected that the Initial Closing will occur on or about November 5, 2010. Confirmation of the acceptance of a subscription will be forwarded to the Subscriber upon acceptance by the General Partner on behalf of the Partnership. See "Plan of Distribution" and "Organization and Management Details of the Partnership - Details of the Partnership Agreement – Units".

Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of the Canadian Exploration Expense incurred by the Mining Companies and renounced to the Partnership. The proceeds of the Offering must be invested and the Flow-Through Shares must be paid for by December 31, 2010. Canadian Exploration Expense must be incurred by Mining Companies by no later than December 31, 2011 and renounced to the Partnership within the first three months of 2011, effective December 31, 2010. See "Income Tax Considerations".

The federal tax shelter identification number in respect of the Partnership is TS077248. The identification number issued for this tax shelter is to be included in any income tax return filed by the investor (i.e., Limited Partner). Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter. The Québec tax shelter identification number in respect of the Partnership is QAF-10-01389.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Reference is made to "Glossary of Terms" for the meaning of defined terms.

Issuer:	Northern Precious Metals 2010 Limited Partnership The Partnership has been created for the purpose of acquiring Flow-Through Shares and other securities of Mining Companies with a view to achieving capital appreciation for Limited Partners. The Partnership will enter into Share Purchase Agreements with Mining Companies under which such companies will agree to issue Flow-Through Shares to the Partnership, incur CEE in carrying out exploration activities in Canada and renounce CEE to the Partnership.
Securities Offered:	Units.
Issue:	Maximum $10,000,000 (10,000 Units). Minimum $1,000,000 (1,000 Units).
Price:	$1,000 per Unit.
Minimum Subscription:	Five Units for $5,000. Additional subscriptions may be made in multiples of one Unit ($1,000). The Subscription Price for Units is payable in full prior to the Closing Date. See "How to Subscribe for Units".
Investment Objectives:	The Partnership will invest primarily in Flow-Through Shares of Mining Companies focused primarily on gold exploration or development. The Partnership intends to obtain for Limited Partners the applicable income tax deductions associated with Flow-Through Shares and to reduce certain risk to Limited Partners by investing in a diversified portfolio of equity securities of Mining Companies. The Partnership will enter into Share Purchase Agreements with Mining Companies under which companies will agree to issue Flow-Through Shares and other securities, if any, such as warrants, to the Partnership, incur CEE between the date on which such Mining Companies enter into the applicable Share Purchase Agreements on or before December 31, 2011, inclusively and renounce CEE to the Partnership with an effective date of December 31, 2010. Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits in respect of income tax payable during the 2010 taxation year. See "Glossary of Terms", "Investment Objectives", "Investment Strategies", "Organization and Management Details of the Partnership", "Income Tax Considerations, "Attributes of the Securities" and "Plan of Distribution".
Investment Strategies:	The Partnership's investment strategy is to provide for a tax-assisted investment in a diversified portfolio of Flow-Through Shares and other securities, if any, such as warrants, of Mining Companies focused on gold exploration or development with a view to achieving capital appreciation for Limited Partners. The Partnership intends to invest the Available Funds such that Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of the CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits in respect of income tax payable. Mining Companies which incur CEE in Canada may deduct 100% of such expenditures from their income for federal tax purposes. These income tax deductions may be flowed through to investors who agree to purchase qualifying shares, or the right to such shares, from a Mining Company under an agreement whereby such Mining Company agrees to

incur CEE and renounce such expense to such investors. Shares issued in accordance with such an agreement are "flow-through shares" as defined in the Tax Act. CEE with respect to expenditures incurred during 2011 will be deemed to be incurred as of December 31, 2010 in certain circumstances. Certain of these expenditures may qualify for a 15% federal investment tax credit. The use of a limited partnership permits income tax deductions to be allocated to, and utilized by, Limited Partners while at the same time providing for limited liability, subject to certain qualifications. See "Investment Objectives", "Organization and Management Details of the Partnership - Details of the Partnership Agreement - Limited Liability of Limited Partners", "Fees and Expenses", "Risk Factors" and "Income Tax Considerations".

Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

Investment Restrictions:

The Partnership Agreement provides that the Partnership will, at the time of investment, observe the following guidelines in committing Available Funds to Mining Companies:

(a) at least 95% of the Available Funds will be invested in Flow-Through Shares of Mining Companies focused primarily on gold exploration or development which are listed on recognized stock exchanges in Canada;

(b) the Manager will consider the management of Mining Companies, including their track record and the fundamentals of the Mining Companies, including financial position and liquidity of their securities;

(c) up to 5% of the Available Funds may be spent on free-trading shares of Mining Companies, which do not have the tax deductions associated with Flow-Through Shares;

(d) not more than 20% of Available Funds may be invested in any one Mining Company, at the time of purchase;

(e) the Partnership will not own more than 10% of any class of equity or voting securities (and for this purpose all equity-based securities held by the Partnership shall be deemed to have been converted or exercised into the underlying equity securities) of any Mining Company or purchase securities of any Mining Company for the purpose of exercising control or management over such Mining Company;

(f) no Available Funds will be invested in Mining Companies which are Related Issuers; and

(g) no Available Funds will be invested in Mining Companies which are non-reporting issuers and, therefore, may be subject to continuing resale restrictions.

In addition, the Partnership expects that approximately 25% of the Available Funds will be invested in Mining Companies that will incur CEE that will qualify for the Québec additional and supplementary deductions.

If the Partnership sells a security, such as shares of Mining Companies, it plans to distribute the net proceeds of such sale to Limited Partners, pending which it will use the proceeds of such sale exclusively to acquire High-Quality Money Market Instruments.

See "Investment Strategies", "Investment Restrictions" and "Distribution Policy".

Loan Facility:

The Partnership plans to arrange the Loan Facility principally for the purpose of funding the Agent's fee, the expenses of this Offering and certain Administrative and Operating Expenses, in whole or in part. The Partnership expects that it will be able to borrow up to the amount of the aggregate of the Agent's fee and expenses of the Offering, such amount not to exceed 18.75% of the Gross Proceeds in the case of the Minimum Offering and 13.3% of the Gross Proceeds in the case of the Maximum Offering. The Manager will ensure that the interest rate, fees and expenses under the Loan Facility will be typical of

credit facilities of this nature. The Partnership anticipates that its obligations under the Loan Facility will be secured by a pledge of the assets held by the Partnership. Limited Partners will not be required to provide security for the Loan Facility. The debt ratio of the Partnership (or the maximum amount borrowed under the Loan Facility relative to the net asset of the Partnership) may fluctuate due to variations in the value of investments held by the Partnership. Prior to the earlier of: (i) the dissolution of the Partnership; and (ii) the Maturity Date of the Loan Facility, the Manager intends to cause all amounts outstanding under the Loan Facility, including all interest accrued thereon, to be repaid in full. See "Investment Strategies - Leverage", "Fees and Expenses - Loan Facility" and "Risk Factors".

Distribution Policy: The Partnership expects to make, in the discretion of the General Partner, cash distributions to Limited Partners from time to time, on a *pro rata* basis, with the proceeds received from the sale of shares or other securities, if any, of Mining Companies. The Partnership will not reinvest the proceeds received from the sale of shares or other securities, if any, of Mining Companies.

It is also possible that the Partnership will return funds in excess of 5% of Available Funds which are not expended or committed to acquire Flow-Through Shares or other shares of Mining Companies by December 31, 2010. See "Investment Strategies".

Use of Proceeds: The Gross Proceeds to be derived from the sale of the Units will amount to $10,000,000 if the Maximum Offering is completed and $1,000,000 if the Minimum Offering is completed. The following table provides a breakdown of the use of the Gross Proceeds for the Maximum and Minimum Offerings and the Maximum Offering:

Net Proceeds	Minimum Offering	Maximum Offering
Gross Proceeds to the Partnership	$ 1,000,000	$10,000,000
less estimated expenses of the Offering[(1) (2)]	$ 77,400	$ 180,000
less Agent's fee[(1) (2)]	$ 100,000	$ 1,000,000
Net proceeds to the Partnership[(2)(3)(4)]	$ 822,600	$ 8,820,000
Available Funds		
Net proceeds to the Partnership	$ 822,600	$ 8,820,000
Proceeds from the Loan Facility[(1)]	$ 187,400	$ 1,330,000
2010 Partnership fees and operating expenses[(2)]	$ (10,000)	$ (150,000)
Available Funds[(4)]	$ 1,000,000	$ 10,000,000

Notes:

(1) The Agent's fee is equal to 10% of this Offering, comprised of a selling commission of 6.5% and a corporate finance fee of 3.5%. The expenses of the Offering are estimated by the Manager to be $77,400, in the case of the Minimum Offering and $180,000, in the case of the Maximum Offering.

(2) The Partnership's portion of the Offering expenses and certain Administrative and Operating Expenses, together with the Agent's fee, will be paid, in whole or in part, by the Partnership from the proceeds of the Loan Facility. The expenses of this Offering to such extent are not deductible in computing income by the Partnership pursuant to the Tax Act for the fiscal period ending December 31, 2010. See "Fees and Expenses - Initial Fees and Expenses" and "Fees and Expenses - Loan Facility".

(3) The management fee for 2010 is not payable until December 31, 2010 and will be paid within 60 days thereafter. In addition, the Manager has agreed to advance payment for all Administrative and Operating Expenses on behalf of the Partnership. Pending payment or reimbursement by the Partnership, such costs will bear interest at the Prime Rate. The Partnership intends to pay these costs in 2011 using the proceeds of the sale of portfolio assets.

(4) If the Over-Allotment Option granted by the Partnership is exercised in full, the Partnership expects to receive an additional $1,500,000 in Available Funds.

Risk Factors: **This is a speculative Offering. As of the date of this prospectus, the Partnership has not entered into any Share Purchase Agreements with any Mining Companies. There is no assurance of a return on a Subscriber's initial investment. The Units may be suitable only for Subscribers with incomes that are subject to high marginal income tax rates, who are aware of the inherent risks in mineral exploration and development, who can afford a total loss of their investment and who have no immediate need for liquidity. The Partnership has neither obtained, nor sought, an advance income tax ruling from CRA. Aside from tax benefits, Subscribers should consider whether the Units have sufficient merit solely as an investment. In addition, the purchase of Units involves significant risk factors. These risk factors include, but are not limited to:**

(a) lack of public market for the Units, which could render an investment in Units illiquid;

(b) no assurance, in the event of a continued or a further general economic downturn or recession, that the business, financial condition and results of operations of the Mining Companies in which the Partnership invests and of the Partnership will not be materially adversely affected;

(c) lack of an adequate market for Flow-Through Shares and other securities, if any, of Mining Companies due to fluctuations in trading volumes, market prices and limited trading volumes;

(d) certain risks inherent in resource exploration and investing in Mining Companies;

(e) illiquidity of Flow-Through Shares and other securities, if any, of Mining Companies owned by the Partnership due to resale and other restrictions under applicable securities legislation;

(f) reliance on the discretion of the Manager in entering into Share Purchase Agreements with Mining Companies and in determining the composition of the portfolio of Flow-Through Shares and other securities, if any, of Mining Companies to be owned by the Partnership;

(g) possible failure of the Partnership to enter into Share Purchase Agreements in respect of all of the Available Funds by December 31, 2010;

(h) possibility that the Partnership will invest up to 5% of the Available Funds in free-trading shares of Mining Companies which do not have the attributes of Flow-Through Shares. In such event, the amount of deductions that Limited Partners will be able to claim for income tax purpose will be reduced accordingly;

(i) fluctuations in the value of the Units due to variations in the value of securities held by the Partnership as a result of changes in the market value of securities or in the securities themselves following of modifications thereto made by the Manager from time to time, lack of assurance of a positive return and adverse fluctuations in foreign exchange rates;

(j) certain of the Previous Northern Partnerships were required by regulatory authorities to take a number of remedial actions with respect to their continuous disclosure documents;

(k) insufficiency of the assets of the General Partner to satisfy the obligations of the Partnership or to satisfy the indemnification of Limited Partners and the consequences of the insolvency of the General Partner, including the resignation and or deemed resignation of the General Partner;

(l) sale of a Unit before the transfer of the assets of the Partnership could result in failure to realize maximum tax savings and proceeds equal to the Limited Partner's share of the Net Asset Value, and possible liability for capital gains tax;

(m) possible adverse changes or interpretations to federal or provincial legislation or possible amendment of proposed legislation or administrative practices resulting in an alteration of the tax and other consequences of holding or disposing of Units. It is possible that CRA will take the position that the Tax Proposals will limit the ability of Limited Partners to claim business losses for taxation years starting after 2004. Further, to the extent that CRA denies the deductibility of business losses, such loss incurred by the Partnership and otherwise allocable to Limited Partners may be reduced or denied;

(n) possible failure of Mining Companies to comply with the provisions of the Share Purchase Agreements, or with the provisions of applicable income tax legislation with respect to the nature of expenses renounced to the Partnership;

(o) continuing liability of a Limited Partner to repay any portion of the Subscription Price returned by the Partnership to such Limited Partner, with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such amount was returned;

(p) possible reduction of the CEE or other expenses incurred by the Partnership by the amount of the limited recourse financing associated with the acquisition of Units;

(q) possibility that a Limited Partner will receive an allocation of income without receiving cash distributions from the Partnership in the year sufficient to satisfy the Limited Partner's tax liability for the year arising from his, her or its status as a Limited Partner;

(r) possible loss of limited liability under certain circumstances and the unavailability of limited liability under the laws of certain jurisdictions;

(s) possibility that a distribution of undivided interests in the assets of the Partnership may not be effected on a tax-deferred basis if a Limited Partner is not a resident of Canada at the time of the dissolution of the Partnership;

(t) the potential for conflicts of interest as a result of certain officers or directors of the Manager being officers, directors and shareholders of, and certain affiliates of the Manager being shareholders of, Mining Companies with which the Partnership may enter into Share Purchase Agreements;

(u) the Partnership not being able to fully invest all of the Available Funds, resulting in the reduction of the tax advantages available to Limited Partners;

(v) possible limitation in tax benefits to Limited Partners caused by the alternative minimum tax;

(w) risk relating to the use of leverage, including to fund certain Administrative and Operating Expenses; the interest expense and banking fees incurred in respect of the Loan Facility, if any, by the Partnership may exceed the incremental capital gain and tax benefits generated by the incremental investment in Flow-Through Shares; there can be no assurance that the borrowing strategy employed by the Partnership will enhance returns and furthermore, there is no assurance that the Manager will be able to arrange the Loan Facility;

(x) possible loss of tax benefits if a Subscriber does not own Units at the end of the fiscal year;

(y) the interest expense and banking fees incurred in respect of the Loan Facility by the Partnership may exceed the incremental capital gains and tax benefits generated by the incremental investment in Flow-Through Shares. There can be no assurance that the borrowing strategy employed by the Partnership will enhance returns and, furthermore, there is no assurance that the Manager will be able to arrange the Loan Facility;

(z) difficulty in determining the value of Mining Companies whose shares may be relatively illiquid; and

(aa) Flow-Through Shares may be issued to the Partnership at prices that exceed the market prices of similar common shares that do not permit CEE to be renounced in favour of the holders. Competition for the purchase of Flow-Through Shares may increase the premium at which such shares are available for purchase by the Partnership.

See "Risk Factors", Conflicts of Interest" and "Fees and Expenses- Loan Facility".

Adjusted Cost Base of Flow-Through Shares:

The adjusted cost base of Flow-Through Shares held by the Partnership will be nil such that all proceeds net of selling costs of such securities will be capital gains. If the Partnership disposes of Flow-Through Shares in consideration for other securities, the Partnership's gain or loss on the disposition of these other securities will be calculated by reference to the acquisition cost of those securities. See "Income Tax Considerations".

Income Tax Deductions and Credits:

The following tables set forth certain financial aspects of an investment in Units for a Limited Partner who is an individual (other than a trust), who has invested $1,000 in the Partnership and whose income is subject to the highest marginal income tax rate after giving effect to all applicable deductions. The tables (and the related notes and assumptions) are consistent with the income tax information provided under the heading "Income Tax Considerations". **The following illustrations were prepared by the General Partner and are not based on an independent opinion rendered by an accountant or lawyer. The calculations are based on the estimates and assumptions set forth in the notes below the tables. The actual tax savings, and portfolio value of Flow-Through Shares may be different than as shown below. The figures set forth are not a representation regarding the future value of Units. These figures are for illustrative purposes only and are not intended as a forecast of future events. There is no assurance that such results will in fact be realized.**

A taxpayer who is an individual (other than a trust) and a Limited Partner at the end of a fiscal year of the Partnership may, in computing such taxpayer's federal tax payable for the taxation year in which the fiscal year of the Partnership ends, be entitled to claim a non-refundable investment tax credit of 15% of the Limited Partner's share of the Partnership's "flow-through mining expenditures", as defined in the Tax Act. The Partnership's "flow-through mining expenditures" are generally CEE related to certain "grass roots" mining exploration expenses renounced in favour of the Partnership pursuant to a Share Purchase Agreement entered into before December 31, 2010. Such expenses must be incurred, or deemed to have been incurred, by a Mining Company before 2012, and will not include expenses renounced to a Mining Company pursuant to an agreement entered into after December 31, 2011. It cannot be assured that any expenses will qualify for the ITC. The non-refundable 15% ITC reduces federal tax otherwise payable by the individual. The ITC reduces the Limited Partner's CCEE in the following year and as a result may be included in income in that year for federal income tax purposes.

Certain Canadian provinces have announced investment tax credits. These credits generally parallel the federal credits for flow-through mining expenditures renounced to taxpayers residing in the province in respect of exploration occurring on properties located in that province. Limited Partners resident in a province that provides such an investment tax credit may claim the credit in combination with the federal tax credit. However, the use of a provincial investment tax credit will generally reduce the amount of expense eligible for the ITC.

The anticipated tax benefits resulting from an investment in the Partnership are greatest for an investor whose income is subject to the highest marginal income tax rate. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment and on the Subscriber's ability to bear a loss of his or her investment. Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

Possible deductions are illustrated on the table below and are based on the assumptions set out in the notes thereto, for an investment in one Unit at $1,000, which is held continuously throughout 2010**.**

Tax advantages – Maximum Offering

	All provinces other than Québec			**Québec**			
Year	CEE	Other Deductions	Total Deductions	CEE	Incremental Québec CEE	Other Deductions	Total Deductions
2010[2]	$1,000[1]	$-	$1,000[1]	$1,000[1]	$ 125[10]	$-	$1,125
2011 and beyond	$-	$ 118[3][4][5][6][7][8]	$ 118	$-	$-	$ 118[3][4][5][6][7][8][9]	$ 118
	$1,000	$ 118	$1,118	$1,000	$ 125	$ 118	$1,243

Tax advantages – Minimum Offering

	All provinces other than Québec			**Québec**			
Year	CEE	Other Deductions	Total Deductions	CEE	Incremental Québec CEE	Other Deductions	Total Deductions
2010[2]	$1,000[1]	$-	$1,000	$1,000[1]	$ 125[10]	$-	$1,125
2011 and beyond	$-	$ 177[3][4][5][6][7][8]-	$ 177	$-	$-	$ 177[3][4][5][6][7][8][9]	$ 177
	$1,000	$ 177$	$1,177	$1,000	$ 125$	$ 177	$1,302

Tax Implications of the Investment Tax Credit – Maximum and Minimum Offering

Year	Ontario	Alberta	B.C.	Québec	Sask.	Man.
2010[2]	$135	$135	$135	$135	$135	$135
2011 and beyond	$(63)	$(53)	$(59)	$(33)	$(59)	$(63)
	$ 72	$ 82	$ 76	$102	$ 76	$72

The following assumptions form an integral part of the calculations in the above illustration of possible tax deductions:

Notes:

(1) It is assumed that 95% of the expenditures will be flow-through mining expenditures that qualify for the ITC prescribed by the Tax Act. The amount received is assumed to be treated as income in the 2011 taxation year and that all the Available Funds will be spent on CEE.

(2) It is assumed that $10,000,000 in the case of the Maximum Offering ($1,000,000 in the case of the Minimum Offering), will be expended on CEE by Mining Companies which is renounced to the Partnership with an effective date in 2010. See "Use of Proceeds" and "Risk Factors".

(3) Subject to note 8 below, to the extent the Partnership borrows to pay the Agent's fees, expenses of issue and other Administrative and Operating Expenses, the unpaid principal amount will be deemed to be a limited recourse amount of the Partnership and such costs will generally not be deductible until the borrowed amount is repaid. It is assumed that the Partnership will borrow to pay the Agent's fees and expenses of issue and that the Partnership will realize sufficient capital gains to permit it to repay all amounts borrowed by the Partnership prior to dissolution.

(4) No allocations of income or loss have been taken into account.

(5) Assumes no portion of the Subscription Price will be financed with limited-recourse financing. See "Income Tax Considerations" and "Organization and Management Details of the Partnership - Details of the Partnership Agreement — Limited Recourse Financings".

(6) Assumes that Limited Partners are not liable for alternative minimum tax. See "Income Tax Considerations — Alternative Minimum Tax".

(7) A Limited Partner may not claim tax deductions in excess of such Limited Partner's "at-risk" amount. See "Income Tax Considerations". It is assumed that deductions after 2010 representing other expenses; such as, management fees and costs of issue will become available to Limited Partners due to taxable capital gains realized on the sale of Flow-Through Shares by the Partnership, which should increase the "at-risk" amount of an investment in the Units.

(8) The calculations are prepared on the assumption that the Tax Proposal of October 31, 2003 will apply to deny the deduction of any expenses other than CEE by the Partnership or a Limited Partner in respect of the Flow-Through Shares or Units, respectively, in 2010. It is further assumed that certain expenses will be deductible in 2010 and subsequent years. See note 7 and "Income Tax Considerations".

(9) It is assumed that for Québec provincial tax purposes only, a Limited Partner who is an individual (including a trust) resident, or subject to tax, in Québec has investment income that exceeds his or her investment expenses for a given year. For these purposes, investment expenses include certain interest, losses of a Limited Partner and 50% of CEE incurred outside Québec. CEE not deducted in a particular year may be carried over and applied against net investment income earned in any of the three previous taxation years or any subsequent taxation year. See "Income Tax Considerations– Certain Québec Tax Considerations".

(10) It is expected that Limited Partners who reside in Québec will be entitled to a further $125 deduction for Québec income tax purposes in respect of CEE incurred by Mining Companies in Québec and renounced to the Partnership with an effective date in 2010.

The actual annual tax deductions available to a Limited Partner may vary significantly from those set out above and may be affected by factors including but not limited to: the failure of the Partnership to fully invest the proceeds of the Offering; amounts renounced by the Mining Companies to the Partnership failing to qualify as CEE; a reduction in CEE which may be renounced to the Limited Partners due to limited-recourse borrowings by Limited Partners; or changes in applicable income tax legislation.

The Partnership will not enter into any Share Purchase Agreement which contemplates that CEE will be renounced with an effective date later than December 31, 2010.

Breakeven Calculation

	Ontario	Québec	Alberta	B.C.	Sask.	Man.
Maximum Offering						
Investment	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Less: Tax Savings[(1)(2)(3)(4)]	$ 591	$ 671	$ 518	$ 565	$ 568	$ 591
Money at risk[(5)]	$ 409	$ 329	$ 482	$ 435	$ 432	$ 409
Breakeven Proceeds of Disposition[(6)]	$ 533$	$ 434	$ 599	$ 557	$ 554	$ 533
Minimum Offering						
Investment	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Less: Tax Savings[(1)(2)(3)(4)]	$ 618	$ 700	$ 541	$ 590	$ 594	$ 618
Money at risk[(5)]	$ 382	$ 300	$ 459	$ 410	$ 406	$ 382
Breakeven Proceeds of Disposition[(6)]	$ 497	$ 395	$ 570	$ 525	$ 521	$ 497

Notes and Assumptions:

(1) The highest marginal tax rates used are for individuals and are based on current federal and provincial rates and existing proposals for 2010 and 2011. The highest rate in Québec is 48.22%, Ontario, 46.41%, Alberta, 39%, British Columbia, 43.7%, Saskatchewan, 44% and Manitoba, 46.4%,. Future federal and provincial budgets may modify these rates and, consequently, the tax savings may change.

(2) Assumes that the Gross Proceeds are invested in Flow-Through Shares of Mining Companies that in turn expend such amounts on CEE and fully renounce such CEE to the Partnership with an Effective Date in 2010 because (i) the Partnership will pay the Agent's fee and expenses of this Offering from the proceeds of the Loan Facility (including the costs associated with establishing the Loan Facility), (ii) during the 2010 calendar year, the management fee is not payable until December 31, 2010 and will be paid within 60 days thereafter and (iii) during the 2010 calendar year, the Manager has agreed to advance payment for all Administrative and Operating Expenses on behalf of the Partnership. Pending payment or reimbursement by the Partnership, such costs will bear interest at the Prime Rate. For purposes of this calculation, the Performance Bonus is assumed to be nil. Amounts borrowed under the Loan Facility will be used to pay the Agent's fee and expenses of this Offering only and certain Operating Expenses. See "Organization and Management Details of the Partnership - Details of the Management Agreement", and "Income Tax Considerations – Computation of Income of Limited Partners".

(3) The tax savings are calculated by multiplying the total estimated income tax deductions for each year by the assumed highest marginal tax rate for that year. The tax savings calculated reflect the impact of the 15% ITC in respect of Flow-Through Shares. It is assumed that the ITC would apply to approximately 90% of the exploration expenses renounced to the Limited Partners. The impact of provincial tax credits has not been included in the tax savings calculations except for the Québec additional and supplementary deductions. It is assumed that approximately 25% of the expenses will qualify for such deductions. In the year following the year in which the ITC is claimed, it will be credited to the individual's cumulative Canadian exploration expense pool in all provinces and territories (except in the case of the Province of Québec for provincial tax purposes only). Any negative balance in the pool resulting from the reduction of the pool by the ITC claimed would be included in the individual's taxable income in that year.

(4) Assumes that the Limited Partner is not liable for alternative minimum tax. See "Income Tax Considerations – Alternative Minimum Tax".

(5) Money at risk is calculated as the total investment less all income tax savings from deductions as described in (2) and (3) above.

(6) The breakeven proceeds of disposition represents the amount an investor must receive such that, after paying capital gains tax, the investor would recover such investor's money at risk.

(7) The Partnership will incur costs that are deductible for income tax purposes, including the Agent's fee and the expenses of the Offering. To the extent that the Partnership borrows to pay such costs, the unpaid principal amount and interest thereon will be a limited recourse amount of the Partnership and such costs will generally not be deductible until the borrowed amount is repaid, at which time the expense will be deemed to have been incurred to the extent of the amount repaid. The repaid amount in respect of expenses in respect of the Offering, including the Agent's fee, will be fully deductible to the extent they are reasonable, and as to 20% thereof in the year of repayment, and as to 20% thereof in each of the four subsequent years, pro-rated for short taxation years. See "Income Tax Considerations – Computation of Income of Limited Partners". Assumes that recourse for any financing by a Limited Partner of the subscription price for Units is not limited and is not deemed to be limited. See "Income Tax Considerations – Computation of Income of Limited Partners".

(8) Assumes that recourse for any financing by a Limited Partner of the subscription price for Units is not limited and is not deemed to be limited. See "Income Tax Considerations –Computation of Income of Limited Partners".

(9) Assumes that the Loss Limitation Rule does not apply to limit losses of the Partnership or the Limited Partners. See "Income Tax Considerations".

(10) The figures in the foregoing tables may be rounded.

An investment in Units may be suitable only for Subscribers whose income is subject to the highest marginal income tax rates. To avail themselves of the maximum tax deductions available, Subscribers should utilize the tax deductions available in 2010 in their 2010 taxation year and other deductions in the year in which they are available. Subscribers should be aware that these calculations are based on estimates and assumptions which cannot be represented to be complete or accurate in all respects. The impact of provincial tax credits has not been included in the tax savings calculations except for the Québec additional and supplementary deductions. The calculations assume the income tax savings are realized for the taxation year 2010 and for the taxation years 2011 and beyond and do not take into account the time value of money. See "Risk Factors". An individual who purchases Units must have a certain minimum taxable income for federal tax purposes, before subtracting income tax deductions associated with the Units, to obtain the estimated tax savings set out above with respect to the specific number of Units such individual purchased. Subscribers intending to purchase Units should consult their tax advisors to determine the amount of taxable income required in 2010 to benefit fully from the income tax savings associated with a purchase of Units, including the avoidance of any additional tax liability under the alternative minimum tax. See "Income Tax Considerations", "Fees and Expenses" and "Risk Factors".

Ontario Investment Tax Credit:

An individual (other than a trust) who is resident in the Province of Ontario and a Limited Partner at the end of a fiscal year of the Partnership may apply for a 5% flow-through share tax credit in respect of "Ontario focused flow-through mining expenditures". "Ontario focused flow-through mining expenditures" are generally flow-through mining expenditures that qualify for the ITC and are incurred in the Province of Ontario by a Mining Company with a permanent establishment in the Province of Ontario. In order to be eligible for the Ontario tax credit the Limited Partner must be resident in the Province of Ontario at the end of the taxation year, and be subject to Ontario income tax throughout the taxation year in which the credit is being claimed.

The General Partner will provide a Limited Partner who is an eligible individual with the information required by such Limited Partner to file an application for any provincial investment tax credits available to such Limited Partner.

Special Québec Tax Deduction:

Certain additional deductions described below may be available to Limited Partners resident in Québec if a Mining Company makes them available to the Partnership. However, no assurance can be given that a Mining Company will make such additional deductions available to the Partnership.

The Province of Québec allows for a special tax deduction of up to 150% of certain eligible exploration expenses incurred by a qualifying entity for exploration carried out in the Province of Québec. In addition to a base deduction of 100% for CEE, an individual who is a resident of the Province of Québec may be entitled to an additional deduction of

25% in respect of certain exploration expenses incurred in the Province of Québec by a qualified corporation. Such a resident may also be entitled to a supplementary deduction of 25% in respect of certain surface mining exploration expenses incurred in the Province of Québec by a qualified corporation. Accordingly, an individual resident of Québec who is a Limited Partner at the end of the applicable fiscal year of the Partnership may be entitled to deduct up to 150% of certain eligible exploration expenses incurred in the Province of Québec by a qualified corporation and renounced by it in favour of the Partnership.

The *Taxation Act* (Québec) provides that where an individual taxpayer (including a personal trust) incurs in a given taxation year investment expenses to earn investment income in excess of the investment income earned for that year, such excess shall be included in the taxpayer's income. For these purposes, investment expenses include certain deductible interest and losses of a Limited Partner and 50% of CEE renounced to the Partnership and allocated to and deducted for Québec tax purposes by such Limited Partner, other than CEE incurred in Québec, and investment income includes taxable capital gains not eligible for the capital gains exemption. Such 50% of CEE renounced to the Partnership and allocated to and deducted for Québec tax purposes by such Limited Partner, other than CEE incurred in Québec, will be included in the Limited Partner's income for Québec tax purposes only if such Limited Partner has insufficient investment income. Investment expenses which have been included in the taxpayer's income in a given taxation year may be deducted against net investment income earned in any of the three previous taxation years and any subsequent taxation year.

Previous Northern Partnerships:

The Manager has extensive experience in identifying and negotiating Flow-Through Share financings with Mining Companies. Mr. Jean-Guy Masse, President and Chief Executive Officer of the Manager, has experience in this field from the early 1980's and has promoted flow-through financings under the "Northern Precious Metals" name since 2003. See "Organization and Management Details of the Partnership - Previous Northern Partnerships".

The Previous Northern Partnerships have raised and invested more than $40 million. **Past performance does not guarantee future results. There can be no assurance that the performance of the Partnership will equal or exceed the performance of the Previous Northern Partnerships.**

Uncommitted Funds:

If the Partnership is unable to enter into Share Purchase Agreements by December 31, 2010 for the full amount of Available Funds from this Offering, the Partnership will cause to be returned to each Limited Partner by March 1, 2011 such Limited Partner's share of the uncommitted amount, except to the extent that such funds are expected to be required to finance the operations of the Partnership, including the accrued management fee, or to repay indebtedness, if any, of the Partnership. Any funds committed by the Partnership to purchase Flow-Through Shares or other securities, if any, of Mining Companies which are returned to the Partnership prior to January 1, 2011 may be used prior to that time to purchase Flow-Through Shares and other securities, if any, of other Mining Companies.

See "Investment Objectives" and "Investment Strategies".

Redemption of Securities:

Units are not redeemable by the Limited Partners. However, the Partnership may redeem Units in certain circumstances. See "Organization and Management Details of the Partnership - Details of the Partnership Agreement".

Termination of the Partnership:

The Manager intends to create liquidity for Limited Partners, if possible, before December 31, 2011, and in any event, within 60 days of December 31, 2011. Liquidity may be achieved by way of any of the following: (1) in the discretion of the Manager, distributing the cash proceeds from the sale of shares of Mining Companies to Limited Partners from time to time on a *pro rata* basis; or (2) dissolving and terminating the

Partnership by no later than within 60 days after December 31, 2011 after all assets of the Partnership are disposed of, all liabilities of the Partnership discharged and all net proceeds of dispositions distributed. See "Investment Objectives" and "Organization and Management Details of the Partnership - Termination of the Partnership".

Delivery of Certificates: Units will be issued only through the book-based system, accordingly Subscribers will receive a customer confirmation from the registered dealer through whom the Units are purchased. See "Plan of Distribution".

ORGANIZATION AND MANAGEMENT OF THE PARTNERSHIP

General Partner: Northern Precious Metals 2010 Inc. is the General Partner of the Partnership. The General Partner is responsible for the management of the on-going business and administrative business affairs of the Partnership in accordance with the Partnership Agreement. See "Organization and Management of The Partnership - The General Partner". The head office and principal place of business of the General Partner is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec, H3B 4M4.

Manager and Portfolio Advisor: Northern Precious Metals Management Inc., an affiliate of the General Partner, and the Promoter of the Partnership has been retained by the General Partner as investment fund manager of the Partnership as defined under the *Securities Act* (Québec) to manage the business operations and affairs of the Partnership and as a Portfolio Advisor of the Partnership in order to select potential investments, advise the Partnership and manage the Partnership's portfolio. The head office and principal place of business of the Manager is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec, H3B 4M4. See "Organization and Management Details of the Partnership - The Manager and Portfolio Advisor of the Partnership".

Custodian: The Partnership has appointed Computershare Trust Company of Canada, as custodian of its portfolio pursuant to a Depositary and Custodial Services Agreement dated October 25, 2010 (the "**Custodian Agreement**") among the Partnership, Computershare Trust Company of Canada and the General Partner. The Custodian has offices located in Montreal, Québec. The Custodian's core custody services include safekeeping, settlement, corporate actions, income collection, proxy voting, tax services and entitlements processing. The Custodian shall be paid such compensation as may from time to time be agreed upon in writing between the General Partner and the Custodian. The Custodian Agreement shall continue in force until terminated by either party on 30 days written notice unless terminated earlier as described below. The Custodian Agreement will terminate if either the Custodian or the Partnership is declared bankrupt or becomes insolvent, if the assets of the business of either the Custodian or the Partnership become liable to seizure or confiscation by any public or governmental authority, or if the General Partner's powers and authorities to act on behalf of or represent the Partnership established on its behalf have been revoked or terminated.

Transfer Agent and Registrar: Computershare Investor Services Inc. is the registrar and transfer agent for the Units pursuant to a Transfer Agency Agreement dated October 25, 2010. Computershare Investor Services Inc. will provide its services to the Partnership primarily in Montreal, Québec.

AGENT

Agent: Secutor Capital Management Corporation is the agent for the Offering. The Agent conditionally offers the Units, subject to prior sale, on a best-efforts basis, if, as and when issued by the Partnership and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to prior sale and approval of certain legal matters on behalf of the Partnership and the Manager by Lavery, de Billy L.L.P. and on behalf of the Agent by Heenan Blaikie LLP.

Over-Allotment Option: The Partnership has granted the Agent the Over-Allotment Option to offer for sale up to 1,500 Units at the Offering price which is exercisable by notice given to the Partnership at any time prior to 30 days after the final Closing of the Offering and, in any event, prior to December 31, 2010. See "Plan of Distribution".

SUMMARY OF FEES AND EXPENSES

The following is a summary of the fees and expenses payable by the Partnership, which will reduce the value of an investment in the Partnership. For further particulars, see "Fees and Expenses".

Fees and Expenses Payable by the Partnership

Type of Fee/Expense	Amount and Description
Initial Fees and Expenses:	The expenses of this Offering are estimated to be, in aggregate, $77,400 in the case of the Minimum Offering and $180,000 in the case of the Maximum Offering (including the costs of creating and organizing the Partnership, the costs of printing and preparing the prospectus, legal and audit and accounting expenses of the Partnership, marketing expenses and legal and other reasonable expenses incurred by the Agent and other incidental expenses) and will be paid by the Partnership with funds borrowed under the Loan Facility as described under "Plan of Distribution".
Agent's Fee:	The Agent's fee is equal to 10% of the Offering, comprised of a selling commission of 6.5% and a corporate finance fee of 3.5%. The Agent's fee will be paid by the Partnership from funds borrowed by the Partnership under the Loan Facility for such purpose. See "Fees and Expenses - Loan Facility".
Management Fee:	The General Partner has formed and established the Partnership and taken the steps necessary to permit the public distribution of the Units. On behalf of the Partnership, the General Partner has contracted with the Manager under the Management Agreement for the provision of substantially all of these services, and for portfolio management services. See "Organization and Management Details of the Partnership". In consideration for portfolio management services and pursuant to the terms of the Partnership Agreement, the Partnership will pay to the Manager an annual management fee equal to 2% of the Net Asset Value. This fee will be calculated and paid monthly in arrears in cash based on the Net Asset Value at the end of the preceding month (and pro-rated in respect of any partial month, if applicable). See "Organization and Management Details of the Partnership - The Manager and Portfolio Advisor of the Partnership".

Performance Bonus: The Manager will be entitled to a performance bonus, payable on a per Unit basis, in an amount equal to 20% of the amount by which (i) the amount determined by dividing the Net Asset Value (prior to calculating the Performance Bonus) by the total number of Units outstanding on the Performance Bonus Date exceeds (ii) the Performance Threshold (the "**Performance Bonus**"). The Performance Bonus will be calculated on the Performance Bonus Date and paid as soon as practicable thereafter.

Administrative and Operating Expenses: The Partnership will pay for all expenses incurred in connection with the Administrative and Operating Expenses. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Limited Partners; (b) fees payable to the auditors, legal and other professional advisors of the Partnership; (c) printing fees, registrar and transfer agent fees; (d) taxes and ongoing regulatory filing fees; (e) any reasonable expenses incurred by the General Partner and the Manager or their agents in connection with their ongoing obligations to the Partnership; (f) expenses relating to portfolio transactions; (g) payment of principal and interest in respect of the Loan Facility; (h) fees payable to the Independent Review Committee; (i) any reasonable out-of-pocket expenses incurred by the Manager and the General Partner and their agents in connection with their ongoing obligations; and (j) any expenditures which may be incurred in connection with the dissolution of the Partnership.

The Manager is authorized to fund Administrative and Operating Expenses through the sale of shares and Flow-Through Shares held by the Partnership. No additional fee will be payable to the Manager for these services; however, it will be entitled to reimbursement for reasonable expenses related to its performance of these services.

The Manager is also entitled to receive interest at the Prime Rate on the amounts advanced by it to the Partnership in respect to the Administrative and Operating Expenses. See "Organization and Management Details of the Partnership, The Manager and Portfolio Advisor of the Partnership, The General Partner" and "Details of the Partnership Agreement".

The Manager may also provide the Partnership with office facilities, equipment and staff as required and the Partnership will reimburse the Manager for the reasonable cost thereof. The Manager will also be entitled to reimbursement for certain expenses incurred on behalf of the General Partner of the Partnership.

SCHEDULE OF EVENTS

	Approximate Date
Initial Closing/Subscription Price payment date	November 5, 2010
Tax deductions allocated to Limited Partners	December 31, 2010
Manager submits tax information to CDS	February 28, 2011
Expected distribution or sale of the assets of the Partnership to create liquidity[(1)]	No later than December 31, 2011
Termination of the Partnership	Within 60 days of December 31, 2011

Note:
(1) The Partnership expects that the distribution or sale of the assets of the Partnership will be effected within 60 days of December 31, 2011.

HOW TO SUBSCRIBE FOR UNITS

A Subscriber must purchase at least five Units. The Subscription Price is payable in one instalment prior to the Closing. A Subscriber who wishes to subscribe for Units must pay the amount due on Closing ($1,000 per Unit subscribed for) either by direct debit from the Subscriber's brokerage account or by cheque made payable to the Subscriber's agent.

Subscriptions in excess of the minimum subscription of $5,000 may be made only in multiples of $1,000. Subscription proceeds pursuant to this Offering will be received by the Agent, or such other registered dealers or brokers as are authorized by the Agent, and held in trust in a segregated account until subscriptions for the Minimum Offering are received and other closing conditions of this Offering have been satisfied. If the Minimum Offering is not subscribed for by December 31, 2010, subscription proceeds will be forthwith returned to the Subscribers, without interest or deduction.

At the discretion of the Manager and the Agent, Units may be issued at the Closing, the Initial Closing to occur on or about November 5, 2010 with subsequent closings, as necessary, on or about the 30th of each month thereafter, in each case, no later than December 31, 2010.

THE ACCEPTANCE BY THE GENERAL PARTNER OF A SUBSCRIBER'S OFFER TO PURCHASE UNITS, WHETHER IN WHOLE OR IN PART, CONSTITUTES A SUBSCRIPTION AGREEMENT BETWEEN THE SUBSCRIBER AND THE PARTNERSHIP UPON THE TERMS AND CONDITIONS SET OUT IN THE PROSPECTUS AND IN THE PARTNERSHIP AGREEMENT AND THE MANAGEMENT AGREEMENT, whereby the Subscriber, among other things: (i) irrevocably authorizes the Agent responsible for such subscription to provide certain information to the General Partner, including such Subscriber's full name, residential address or address for service, social insurance number or corporation account number, as the case may be, and the name and registered representative number of the representative of the securities dealer responsible for such subscription and covenants to provide such information to the Agent; (ii) acknowledges that he is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner; (iii) makes the representations and warranties, including without limitation, representations and warranties as to his residency and limited recourse financing, set out in the Partnership Agreement; (iv) irrevocably nominates, constitutes and appoints the General Partner as his true and lawful attorney with the full power and authority as set out in the Partnership Agreement; (v) irrevocably authorizes the General Partner to file all elections deemed necessary or desirable by the General Partner to be filed under the Tax Act and any other applicable tax legislation in respect of the dissolution of the Partnership. The Partnership Agreement includes representations, warranties and covenants on the part of the Subscriber that he is not a "non-resident" for purposes of the Tax Act, that he will maintain such status during such time as Units are held by him and that payment of the Subscription Price for such Limited Partner's Units was not

financed through indebtedness for which recourse is or is deemed to be limited within the meaning of the Tax Act. See "Organization and Management Details of the Partnership - The Partnership - Details of the Partnership Agreement".

The subscription agreement shall be evidenced by delivery of the prospectus to the Subscriber, provided that the subscription has been accepted by the Manager on behalf of the Partnership.

ELIGIBILITY FOR INVESTMENT

In the opinion of Lavery, de Billy, L.L.P., counsel to the Partnership and the Manager, and Heenan Blaikie LLP, counsel to the Agent, the Units do not constitute "qualified investments" for trust governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability saving plans, tax free saving accounts or deferred profit sharing plans for the purposes of the Tax Act.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risk and uncertainties. These forward-looking statements relate to, among other things, strategy, indicators and expectations for the resource sector and Mining Companies and other expectations, intentions and plans contained in this prospectus that are not historical fact.

When used in this prospectus, the words "expects", "anticipates", "intends", "plans", "may", "believes", "seeks", "estimates", "appears" and similar expressions generally identify forward-looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in the global economy, changes in general economic and business conditions, existing governmental regulations, supply, demand and other market factors, including, without limitation, the risk factors set out under "Risk Factors" in this prospectus. This may cause actual results to differ materially from the forward-looking statements. Although the Partnership and the Manager consider the assumptions on which these forward-looking statements are based to be reasonable, they cannot assure Subscribers that actual results or expectations will be consistent with these forward-looking statements, and therefore undue reliance should not be placed upon them. The forward-looking statements are made as of the date of this prospectus and the Partnership and the Manager do not undertake to update or revise them to reflect new information, future events or otherwise, except as required under applicable securities legislation. All forward-looking statements contained in this prospectus are qualified by this cautionary statement.

GLOSSARY OF TERMS

The following are definitions of certain words and terms used in this prospectus:

"**Administrative and Operating Expenses**" means all costs incurred by the General Partner and/or the Manager on behalf of the Partnership and includes all costs incurred by the Manager in the performance of its duties under the Partnership Agreement and/or all costs incurred by the Manager in the performance of its duties under the Management Agreement. See "Fees and Expenses - Administrative and Operating Expenses".

"**Agency Agreement**" means the agreement dated the date of this prospectus among the Partnership, the General Partner and the Agent as further described under "Plan of Distribution".

"**Agent**" means Secutor Capital Management Corporation.

"**Available Funds**" means the proceeds from the issue of the Units, after deducting Administrative and Operating Expenses and the Agent's fee, subject to the use of the Loan Facility to cover such costs and fees. See "Use of Proceeds".

"**Canadian Exploration Expense**" or "**CEE**" means Canadian exploration expense as defined in subsection 66.1(6) of the Tax Act, including certain expenses incurred for the purposes of determining the existence, location, extent or quality of a mineral resource in Canada.

"**Canadian Cumulative Exploration Expense**" or "**CCEE**" means cumulative CEE as defined in subsection 66.1(6) of the Tax Act and generally includes the totality of CEE made or incurred by a taxpayer previously less CEE which has been deducted by the taxpayer for the purpose of determining taxable income.

"**Canadian GAAP**" means accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time.

"**CDS**" means CDS Clearing and Depository Services Inc., or its nominee, which as of the date of this prospectus is "CDS & Co.", or a successor thereto.

"**CDS Participants**" means participants in the CDS depository service holding securities operated by or on behalf of CDS.

"**Closing**" means the issue of Units pursuant to this prospectus.

"**Closing Date**" means the date of the Closing.

"**CRA**" means the Canada Revenue Agency.

"**Custodian Agreement**" means the Depositary and Custodial Services Agreement dated October 25, 2010 between the Partnership, Computershare Trust Company of Canada and the General Partner.

"**Extraordinary Resolution**" means a resolution passed by at least two-thirds of the votes cast thereon at a meeting of the Limited Partners duly called or consented to in writing by the Limited Partners holding at least two-thirds of the Units.

"**Flow-Through Share**" means a share or a right to a share that is a "flow-through share" as defined in subsection 66(15) of the Tax Act, in respect of which a Mining Company agrees to renounce CEE to the Partnership.

"**General Partner**" means Northern Precious Metals 2010 Inc. or any other person admitted to the Partnership as a successor to Northern Precious Metals 2010 Inc., or any other general partner of the Partnership.

"**Gross Proceeds**" means, at any time, the aggregate gross proceeds of this Offering.

"**High-Quality Money Market Instruments**" means money market instruments which are accorded the highest rating category by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies (Canada) Corporation ("**AAA**") or by DBRS Limited ("**R-1(high)**"), Government of Canada treasury bills, banker's

acceptances, and government guaranteed obligations, all with a term of one year or less, deposits and guaranteed investment certificates with Schedule I Canadian banks or trust companies.

"**Independent Review Committee**" means the independent review committee for the Partnership to which conflict of interest matters will be referred for review and approval in accordance with Regulation 81-107 respecting Independent Review Committee for Investment Funds of the Canadian Securities Administrators as it may be amended or replaced from time to time.

"**Initial Closing**" means the first Closing, which is expected to occur on or about November 5, 2010 but, in any event, shall not be later than December 31, 2010.

"**Investment Guidelines and Restrictions**" means those investment guidelines and restrictions described under the heading "Investment Restrictions".

"**ITC**" means an investment tax credit in respect of flow-through mining expenditures under the Tax Act.

"**Limited Partner**" means the registered owner of a Unit.

"**Loan Facility**" means the loan to be provided to the Partnership on the date of the Initial Closing by a lender to finance payment of the Agent's fee, the expenses of the Offering and certain Administrative and Operating Expenses.

"**Management Agreement**" means the agreement dated the date of this prospectus between the Partnership and the Manager pursuant to which the Manager will provide certain management, administrative and other services to the Partnership.

"**Manager**" means Northern Precious Metals Management Inc., the investment fund manager appointed by the Partnership to manage the business, operations and affairs of the Partnership and the portfolio advisor appointed by the Partnership in order to select potential investments, advise the Partnership and manage the Partnership's portfolio.

"Maturity Date of the Loan Facility" means the earlier of: (i) July 31, 2011; and (ii) the date of dissolution of the Partnership.

"**Maximum Offering**" means the offering of 10,000 Units pursuant to this prospectus.

"**Minimum Offering**" means the offering of 1,000 Units pursuant to this prospectus.

"**Mining Company**" means a corporation which is, or which represents to the Partnership that it is, a "principal business corporation" as defined in subsection 66(15) of the Tax Act and that intends (either by itself or through a Related Corporation) to incur CEE on at least one mineral property in Canada and renounce such CEE to the Partnership.

"**Net Asset Value**" or **"NAV"** means, on any particular Valuation Date, the difference between:

(a) the market value on the Valuation Date of the total assets of the Partnership, determined as follows:

(i) cash and High-Quality Money Market Investments shall have a value equal to their respective face values,

(ii) the value of any security which is listed on a stock exchange will be the closing sale price on such date or, if there is no closing sale price, the simple average of the closing bid and the closing asked price on such date, all as reported by any report in common use or authorized by such stock exchange,

(iii) the value of any security which is traded on an over-the-counter market will be the closing sale price on such date or, if there is no closing sale price, the simple average of the closing bid and the closing asked price on such date, all as reported by the financial press or an independent organization,

(iv) the value of any security or other asset for which a market quotation is not readily available will be its market value on such date as determined by the Manager,

(v) the value of securities quoted in foreign currencies will be converted to Canadian dollars at the exchange rate at noon on such date as announced by the Bank of Canada, and

(vi) tax deductions which accrue to holders of Units shall not be taken into account in making such determination; and

(b) all liabilities of the Partnership on such date as determined by the Manager in accordance with normal business practices and Canadian GAAP.

"**Northern 2003**" means Northern Precious Metals Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2004**" means Northern Precious Metals 2004 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2005**" means Northern Precious Metals 2005 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2006**" means Northern Precious Metals 2006 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2007**" means Northern Precious Metals 2007 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2007-II**" means Northern Precious Metals 2007-II Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2008**" means Northern Precious Metals 2008 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Northern 2009**" means Northern Precious Metals 2009 Limited Partnership which had substantially the same investment objective as the Partnership and for which an affiliate of the General Partner acted as the general partner.

"**Offering**" means the offering of Units pursuant to this prospectus.

"**Over-Allotment Option**" means the option granted to the Agent to offer for sale, exercisable by notice given to the Partnership at any time prior to 30 days after the final Closing of the Offering and, in any event, prior to December 31, 2010, up to a number of Units equal to 15% of the Units issued under the Maximum Offering at the Offering price.

"**Partner**" means any Limited Partner or the General Partner, as the case may be.

"**Partnership**" means Northern Precious Metals 2010 Limited Partnership.

"**Partnership Agreement**" means the limited partnership agreement dated the date of this prospectus and governing the Partnership, made among the General Partner, the initial Limited Partner, and those persons admitted as Limited Partners, together with all amendments, supplements, restatements and replacements thereof from time to time.

"**Performance Bonus**" means a performance bonus payable on a per Unit basis by the Partnership to the Manager in an amount equal to 20% of the amount by which (i) the amount determined by dividing the Net Asset Value (prior to calculating the Performance Bonus) by the total number of Units outstanding as of the Performance Bonus Date exceeds (ii) the Performance Threshold.

"**Performance Bonus Date**" means the day immediately prior to the date of dissolution or termination of the Partnership.

"**Performance Threshold**" means $1,100.

"**Previous Northern Partnerships**" means the limited partnerships previously created and listed in this prospectus under "Organization and Management Details of the Partnership", each of which has used or included the name "Northern" and has had substantially the same investment objective as the Partnership.

"**Prime Rate**" means the prime rate charged by the Partnership's banker to its most credit worthy customers in Canadian dollars from time to time.

"**Register**" means the register of Limited Partners maintained by the Partnership pursuant to the Partnership Agreement.

"**Related Corporation**" means, in relation to a Mining Company, a corporation related to the Mining Company, as provided in subsection 251(2) or 251(3) of the Tax Act.

"**Related Issuer**" means a Mining Company of which the General Partner or an affiliate of the General Partner other than limited partnerships or other entities managed by the General Partner or its affiliates, individually or together beneficially own or exercise direction or control over, directly or indirectly, more than 20% of the outstanding voting or equity securities after giving effect to the exercise of all convertible securities held by the General Partner or affiliates of the General Partner, other than limited partnerships or other entities managed by the General Partner or its affiliates (and for greater certainty, for purposes of this definition of "Related Issuer", investments made by the general partner of Northern 2009 on its behalf, in any Mining Company shall not be included in any calculation of the outstanding number of voting or equity securities of any Mining Company held by the General Partner or any affiliate of the General Partner).

"**Share Purchase Agreement**" means an agreement between the Partnership and a Mining Company pursuant to which the Partnership subscribes for Flow-Through Shares (and other securities, if applicable) of the Mining Company, and the Mining Company agrees to incur CEE (in respect of Flow-Through Shares) after the date of such agreement, to renounce CEE to the Partnership, and to issue Flow-Through Shares and other securities, if any, of the Mining Company to the Partnership, together with all amendments and supplements thereto from time to time.

"**Subscriber**" means a subscriber for Units.

"**Subscription Price**" means, for each Unit purchased, the amount of $1,000.

"**Tax Act**" means the *Income Tax Act* (Canada), the regulations thereunder in force as of the date hereof and any proposed or pending legislation, as amended from time to time

"**Tax Proposals**" means proposals to amend the Tax Act, the *Taxation Act* (Québec) and the regulations thereunder publicly announced by the Minister of Finance of each of Canada and Québec as at the date hereof.

"**Transfer Agency Agreement**" means the agreement between the Partnership and Computershare Investor Services Inc. pursuant to which Computershare Investor Services Inc. has been appointed as the registrar and transfer agent for the Units.

"**Unit**" means an equal and undivided interest in the net assets of the Partnership.

"**Valuation Date**" means every Friday (or the previous trading day in the event the Toronto Stock Exchange is closed for business on such day) and the last trading day of each month.

"**$**" means Canadian Dollars.

OVERVIEW OF THE STRUCTURE OF THE PARTNERSHIP

The Partnership was formed under the laws of the Province of Québec in accordance with the *Civil Code of Québec*. The General Partner of the Partnership is Northern Precious Metals 2010 Inc. and the initial limited partner is 148366 Canada Inc. The principal place of business of the Partnership and the General Partner is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec, H3B 4M4. The Partnership is not considered to be a mutual fund under securities legislation.

INVESTMENT OBJECTIVES

The Partnership will primarily invest in Flow-Through Shares of Mining Companies focused primarily on gold exploration or development.

The Partnership intends to obtain for Limited Partners the applicable income tax deductions associated with Flow-Through Shares and to reduce certain risk to Limited Partners by investing in a diversified portfolio of equity securities of Mining Companies. The Partnership will enter into Share Purchase Agreements with Mining Companies under which companies will agree to issue Flow-Through Shares and other securities, if any, such as warrants, to the Partnership, incur CEE between the date on which such Mining Companies entered into the applicable Share Purchase Agreement and December 31, 2011, inclusively and renounce CEE to the Partnership with an Effective Date of December 31, 2010. Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits deductible from tax payable during the 2010 taxation year.

INVESTMENT STRATEGIES

The Partnership's investment strategy is to provide for a tax-assisted investment in a diversified portfolio of Flow-Through Shares and other securities, if any, such as warrants, of Mining Companies focused on gold exploration or development with a view to achieving capital appreciation for Limited Partners. The Partnership intends to invest the Available Funds such that Limited Partners will be entitled to claim deductions for Canadian federal and Québec income tax purposes in respect of the CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits in respect of income tax payable.

Mining Companies which incur CEE in Canada may deduct 100% of such expenditures from their income for federal tax purposes. These income tax deductions may be flowed through to investors who agree to purchase qualifying shares, or the right to such shares, from a Mining Company under an agreement whereby such Mining Company agrees to incur CEE and renounce such expense to such investors. Shares issued in accordance with such an agreement are "flow-through shares" as defined in the Tax Act. CEE with respect to expenditures incurred during 2011 will be deemed to be incurred as of December 31, 2010 in certain circumstances. Certain of these expenditures may qualify for a 15% federal investment tax credit. The use of a limited partnership permits income tax deductions to be allocated to, and utilized by, Limited Partners while at the same time providing for limited liability, subject to certain qualifications. See "Investment Objectives", "Organization and Management Details of the Partnership - Details of the Partnership Agreement - Limited Liability of Limited Partners", "Fees and Expenses", "Risk Factors" and "Income Tax Considerations".

Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

The Partnership will enter into Share Purchase Agreements with Mining Companies under which such companies will agree to issue Flow-Through Shares and other securities, if any, such as warrants, to the Partnership, incur CEE is carrying out exploration in Canada and renounce CEE to the Partnership. Limited Partners will be entitled to claim deductions for Canadian federal income tax purposes in respect of CEE incurred and renounced to the Partnership and may be entitled to certain investment tax credits in respect of income tax payable during the 2010 taxation year.

A Mining Company is a company which is, or which represents to the Partnership that it is, a "principal-business corporation" as defined in subsection 66(15) of the Tax Act and that intends (either by itself or through a Related Corporation) to incur CEE on at least one mineral property in Canada and renounce such CEE to the Partnership.

Mining Companies which incur CEE in Canada may deduct 100% of such expenditures from their income for federal tax purposes during the 2010 taxation year. These income tax deductions may effectively flow through to investors who agree to purchase qualifying shares, or rights to such shares, from a Mining Company under an agreement which satisfies certain requirements set out in the Tax Act whereby such Company agrees to incur CEE and renounce such expenses to such investors. Certain provisions of the Tax Act and provincial income tax legislation are advantageous to limited partners, including the inclusion rate for capital gains of 50%. Shares issued under an agreement whereby the Mining Company agrees to incur CEE and renounce such expense to such investors are Shares issued in accordance with such agreement and are "flow-through shares" for the purposes of the Tax Act. CEE with respect to expenditures incurred during 2011 will be deemed to be incurred as of December 31, 2010 in certain circumstances. Certain of these expenditures may qualify for a 15% federal investment tax credit. The use of a limited partnership permits income tax deductions to be allocated to, and utilized by, Limited Partners while at the same time providing for limited liability, subject to certain qualifications. See "Organization and Management Details of the Partnership - Details of the Partnership Agreement", "Organization and Management Details of the Partnership" - Limited Liability of Limited Partners", "Fees and Expenses", "Risk Factors" and "Income Tax Considerations".

Leverage

Pursuant to the Loan Facility, the Partnership will be able to borrow up to the amount of the aggregate of the Agents' fee and the expenses of this Offering, such amount not to exceed 18.75% of the Gross Proceeds in the case of the Minimum Offering and 13.3% of the Gross Proceeds in the case of the Maximum Offering. The debt ratio of the Partnership (or the maximum amount borrowed under the Loan Facility relative to the net assets of the Partnership) may fluctuate due to a variation in the value of investments held by the Partnership. Prior to the earlier of: (i) the dissolution of the Partnership; and (ii) the Maturity Date of the Loan Facility, the Manager intends to cause all amounts outstanding under the Loan Facility, including all interest accrued thereon, to be repaid in full. The Partnership's obligations under the Loan Facility will be secured by a pledge of the assets held by the Partnership. The Loan Facility will be used to finance payment of the Agent's fee, the expenses of the Offering and certain Administrative and Operating Expenses.

The Partnership will not purchase securities unless the purchase price thereof is negotiated or established with Mining Companies which deal on an arm's length basis with the Partnership, the General Partner, the Manager and their respective affiliates and the Partnership will not purchase securities if any officer or director of the General Partner, the Manager or any of their respective associates or affiliates is entitled to receive a fee, commission or other payment in connection with such investment.

The Partnership intends to invest in a diversified portfolio of Flow-Through Shares and other securities, if any, of Mining Companies. Whenever possible, the Partnership may obtain incentives for the Partnership; such as, share purchase warrants, in addition to purchasing Flow-Through Shares.

Any interest earned on money not yet disbursed by the Partnership and any dividends received on Flow-Through Shares and other securities, if any, of Mining Companies purchased by the Partnership will accrue to the benefit of the Partnership. Interest and dividends earned may be used, in the discretion of the Manager, to purchase more Flow-Through Shares and other securities, if any, of Mining Companies, to repay indebtedness of the Partnership including the Loan Facility, for the purchase of High-Quality Money Market Instruments, to pay Administrative and Operating Expenses, or for distributions to Limited Partners if the Manager is satisfied that the Partnership can otherwise meet its obligations.

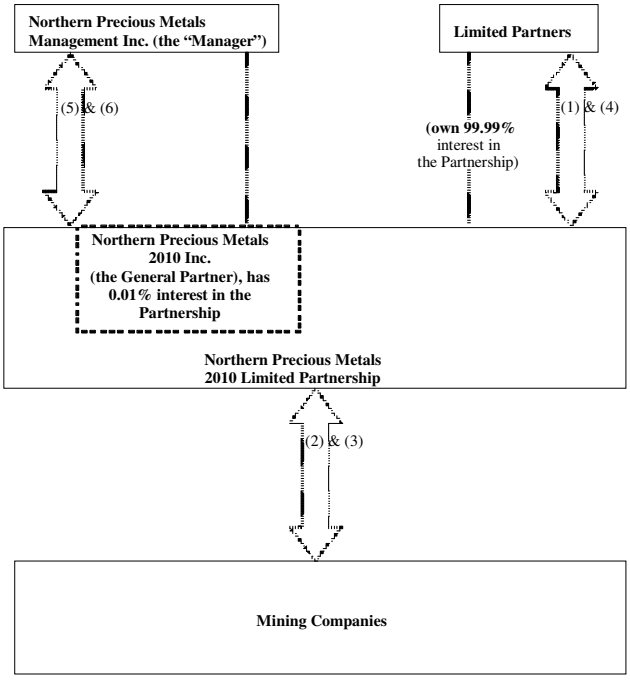
To ensure income tax deductions are available to Limited Partners for the 2010 calendar year, certain CEE incurred by December 31, 2011 is to be renounced to the Partnership no later than March 31, 2011 with an Effective Date of renunciation of December 31, 2010. Share Purchase Agreements may provide that to the extent that grants or tax credits are available to investors pursuant to any provincial mineral exploration program the Mining Companies will be required to apply for such grants or tax credits on behalf of the Partnership and the Limited Partners and to remit all amounts received to the Partnership. However, the aggregate amount of such grants or tax credits, if any, is not expected to be material.

If the Manager is unable to enter into Share Purchase Agreements by December 31, 2010 for the full amount of Available Funds from this Offering, the Manager will cause to be returned to each Limited Partner as soon as practicable and in any event, by March 1, 2011, such Limited Partner's share of the uncommitted amount, except to the extent that such funds are expected to be required to finance the operations of the Partnership or repay indebtedness of the Partnership. In certain circumstances committed funds equal to the tax payable as a consequence of a failure to renounce may be returned to the Partnership. Any funds committed by the Partnership to purchase Flow-Through Shares which are returned to the Partnership prior to January 1, 2011 may be used prior to that time to purchase Flow-Through Shares and other securities, if any, of other Mining Companies.

As the issue to the Partnership of Flow-Through Shares and other securities, if any, of certain Mining Companies will be exempt from the prospectus requirements of applicable securities legislation, such Flow-Through Shares and other securities, if any, of such Mining Companies generally will be subject to resale restrictions. Other Flow-Through Shares or other securities, if any, of Mining Companies purchased by the Partnership may be qualified by a prospectus or other similar disclosure document of a Mining Company filed with applicable securities authorities and will not be subject to any resale restrictions. It is expected by the Manager that the resale restrictions applicable to substantially all of the Flow-Through Shares and other securities, if any, of Mining Companies, purchased by the Partnership in any Canadian jurisdiction will expire after a four-month period. The Partnership may, in accordance with the by-laws, rules and policies of the applicable stock exchanges and where not prohibited by applicable law, sell securities held at such time by the Partnership and in respect of which the resale restrictions have not yet expired.

For tax purposes, any sale of Flow-Through Shares generally is expected to result in a capital gain equal to the net proceeds because the adjusted cost base of the Flow-Through Shares is expected to be nil.

OVERVIEW OF THE INVESTMENT STRUCTURE



Notes:

(1) Limited Partners purchase Units at $1,000 per Unit (minimum purchase $5,000-five Units).

(2) Partnership enters into Share Purchase Agreements with Mining Companies pursuant to which the Partnership subscribes for Flow-Through Shares or other securities, if any.

(3) Pursuant to the Share Purchase Agreements, Mining Companies renounce CEE to the Partnership.

(4) As a tax benefit, renounced CEE flows through to Limited Partners who are Limited Partners on December 31, 2010.

(5) Management provides management services, including portfolio management.

(6) Partnership pays Manager an annual fee equal to 2% of the Net Asset Value, plus applicable taxes.

OVERVIEW OF THE SECTORS IN WHICH THE PARTNERSHIP INVESTS

The global financial crisis which started in the second half of 2007 had a devastating effect on commodity prices and on the share prices of resources companies during 2008, particularly, junior issuers. Although there has been a modest recovery in resource share prices since then, they still remain depressed, especially, those of small to medium-capitalization companies by comparison with the preceding several years. This market environment has created a sound opportunity for investors to take advantage of these lower prices.

During the last two years, one commodity, gold, has been an exception to the rule, reaching a record high of $1,266 an ounce, on June 28, 2010, making it one of the best-performing assets in the world. Today, the price of gold is trading at more than US$1,200 per ounce. In spite of the impressive performance in the price of gold, the shares of many junior gold companies, be they at the stage of production, development or exploration, are selling at levels comparable to the time when the price of gold was quoted between $400 and $500 per ounce, going back to 2005. As the price of gold appears poised to make new records in the coming years, the gold sector is extremely attractive.

The combination of depressed gold share prices, higher gold prices and the potential for additional value creation by experienced mining management teams favours a large concentration of Available Funds in the gold sector and, as a consequence, the Manager believes that the Partnership will be successful in meeting its investment objectives.

INVESTMENT RESTRICTIONS

The Investment Guidelines and Restrictions that will be followed by the Manager in investing the Available Funds and in entering into Share Purchase Agreements with Mining Companies on behalf of the Partnership are described below. The Investment Guidelines and Restrictions may be amended only by Extraordinary Resolution. Pursuant to the Management Agreement any such amendments also require the prior approval of the Manager. For purposes of the guidelines and restrictions listed below, all percentage limitations apply only immediately after a transaction and any subsequent change in any applicable percentage resulting from changing values or changing market capitalization will not require elimination of any security from the Partnership's portfolio. The Investment Guidelines and Restrictions provide as follows:

(a) ***Mining Companies and Québec Focus***. At least 95% of the Available Funds will be invested in Flow-Through Shares of Mining Companies, primarily focused on gold exploration, development and production which are listed on recognized stock exchanges in Canada. The Partnership will invest up to 25% of the Available Funds in Flow-Through Shares issued by Mining Companies that will incur CEE that will qualify for the Québec additional and supplementary deductions. Available Funds not invested by December 31, 2010 will be returned, *pro rata*, to Limited Partners as soon as practicable and in any event by March 1, 2011, without interest or deduction.

(b) ***Management of Mining Companies.*** The Manager will consider the management of Mining Companies, including their track record and the fundamentals of the Mining Companies, including financial position and liquidity of their securities.

(c) ***Non-Flow-Through Shares.*** Up to 5% of the Available Funds may be invested in free-trading shares of Mining Companies, which do not have the tax deductions associated with Flow-Through Shares.

(d) ***No Reinvestment***. If the Partnership sells a security, such as shares of Mining Companies, it will (i) repay the loan, including capital and interest; (ii) distribute proceeds of such sales to Limited Partners; or (iii) use such proceeds to acquire High-Quality Money Market Instruments.

(e) ***Restricted Borrowing***. Except for borrowing under the Loan Facility to pay the Agent's fee and the Offering Expenses, certain operating expenses during the 2010 year and general advances by the Manager, the Partnership may not borrow money.

(f) ***No Other Undertaking***. The Partnership will not engage in any undertaking other than the investment of the Partnership's assets with regard to the Partnership's Investment Objectives, Investment Strategies and Investment Guidelines and Restrictions.

(g) ***Fixed Price***. The Partnership will not purchase any security which may by its terms require the Partnership to make a contribution in addition to the payment of the purchase price, provided that this restriction will not apply to the purchase of securities which are paid for on an instalment basis where the total purchase price and the amount of all such instalments is fixed at the time the initial instalment is paid.

(h) ***No Material Interest***. The Partnership will not purchase securities from or sell securities to the Manager or any of the Manager's respective Affiliates, any officer, director or shareholder of any of them, any person, trust, firm or corporation managed by the Manager or any of their respective affiliates or any firm or corporation in which any officer, director or shareholder of the General Partner or the Manager may have a material interest (which, for these purposes, means beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any purchase or sale of securities, any such transaction is effected through normal market facilities, is not pre-arranged and the purchase price approximates the prevailing market price. Any transaction done by the Partnership with a firm or a corporation in which a related party has a material interest is subject to the approval of the Partnership's Independent Review Committee.

(i) ***No Control.*** The Partnership will not own more than 10% of any class of equity or voting securities (and for this purpose all equity based securities owned by the Partnership shall be deemed to have been converted or exercised into the underlying equity securities) of any Mining Company nor will it purchase securities of any Mining Company for the purpose of exercising control or management over such Mining Company;

(j) ***Restriction on Concentration***. Not more than 20% of the Available Funds will be invested in any one Mining Company, at the time of the purchase.

(k) ***Restriction on Underwriting***. The Partnership will not act as an underwriter except to the extent that the Partnership may be deemed to be an underwriter in connection with the sale of securities in its investment portfolio under applicable securities legislation and will be exempt thereunder.

(l) ***No Short Sales***. The Partnership will not make any short sales of securities or maintain a short position in any security.

(m) ***No Mutual Funds***. The Partnership will not purchase securities of any mutual fund.

(n) ***No Derivatives***. The Partnership will not purchase or sell derivatives.

(o) ***No Securities Lending***. The Partnership will not lend any of the securities included in its portfolio.

(p) ***Related Issuers***. No Available Funds will be invested in Mining Companies which are Related Issuers.

(q) ***Non-Reporting-Issuers:*** No Available Funds will be invested in Mining Companies which are non-reporting issuers and, therefore, may be subject to continuing resale restrictions.

SELECTED FINANCIAL ASPECTS FOR SUBSCRIBERS

The following tables set forth certain financial aspects of an investment in Units for a Limited Partner who is an individual (other than a trust), who has invested $1,000 in the Partnership and whose income is subject to the highest marginal income tax rate after giving effect to all applicable deductions. The tables (and the related notes and assumptions) are consistent with the income tax information provided under the heading "Income Tax Considerations". **The following illustrations were prepared by the Manager and are not based on an independent opinion rendered by an accountant or lawyer. The calculations are based on the estimates and assumptions set forth in the notes below the tables. The actual tax savings and portfolio value of Flow-Through Shares may be different than as shown below. The figures set forth are not a representation regarding the future value of Units. These figures are for illustrative purposes only and are not intended as a forecast of future events. There is no assurance that such results will in fact be realized.**

A taxpayer who is an individual (other than a trust) and a Limited Partner at the end of a fiscal year of the Partnership may, in computing such taxpayer's federal tax payable for the taxation year in which the fiscal year of the Partnership ends, be entitled to claim a non-refundable investment tax credit of 15% of the Limited Partner's share of the Partnership's "flow-through mining expenditures", as defined in the Tax Act. The Partnership's "flow-through mining expenditures" are generally CEE related to certain "grass roots" mining exploration expenses renounced in favour of the Partnership pursuant to a Share Purchase Agreement entered into before 2011. Such expenses must be incurred, or deemed to have been incurred, by a Mining Company before 2011, and will not include expenses renounced to a Mining Company pursuant to an agreement entered into after December 31, 2010. It cannot be assured that any expenses will qualify for the ITC. The non-refundable 15% ITC reduces federal tax otherwise payable by the individual. The ITC reduces the Limited Partner's CCEE in the following year and as a result may be included in income in that year for federal income tax purposes.

Certain Canadian provinces have announced investment tax credits. These credits generally parallel the federal credits for flow-through mining expenditures renounced to taxpayers residing in the province in respect of exploration occurring on properties located in that province. Limited Partners resident in a province that provides such an investment tax credit may claim the credit in combination with the federal tax credit. However, the use of a provincial investment tax credit will generally reduce the amount of expenses eligible for the federal investment tax credit.

An individual (other than a trust) who is resident in the Province of Ontario and a Limited Partner at the end of a fiscal year of the Partnership may apply for a 5% flow-through share tax credit in respect of "Ontario focused flow-through mining expenditures". Ontario focused flow-through mining expenditures are generally flow-through mining expenditures that qualify for the ITC and are incurred in the Province of Ontario by a Mining Company with a permanent establishment in the Province of Ontario. In order to be eligible for the Ontario tax credit the Limited Partner must be resident in the Province of Ontario at the end of the taxation year, and be subject to Ontario income tax throughout the taxation year in which the credit is being claimed.

The Manager will provide a Limited Partner who is an eligible individual with the information required by such Limited Partner to file an application for any provincial investment tax credits available to such Limited Partner.

The Province of Québec allows for a special tax deduction of up to 150% of certain eligible exploration expenses incurred by a qualifying entity for exploration carried out in the Province of Québec. In addition to a base deduction of 100% for CEE, an individual who is a resident of the Province of Québec may be entitled to an additional deduction of 25% in respect of certain exploration expenses incurred in the Province of Québec by a qualified corporation. Such a resident may also be entitled to a supplementary deduction of 25% in respect of certain surface mining exploration expenses incurred in the Province of Québec by a qualified corporation. Accordingly, an individual resident of Québec who is a Limited Partner at the end of the applicable fiscal year of the Partnership may be entitled to deduct up to 150% of certain eligible exploration expenses incurred in the Province of Québec by a qualified corporation and renounced by it in favour of the Partnership.

ILLUSTRATION OF POSSIBLE TAX DEDUCTIONS

The anticipated tax benefits resulting from an investment in the Partnership are greatest for an investor whose income is subject to the highest marginal income tax rate. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment and on the Subscriber's ability to bear a loss of his or her investment. Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

Possible deductions are illustrated on the table below and are based on the assumptions set out in the notes thereto, for an investment in one Unit at $1,000, which is held continuously throughout 2010.

Tax advantages – Maximum Offering

	All provinces other than Québec			Québec			
Year	CEE	Other Deductions	Total Deductions	CEE	Incremental Québec CEE	Other Deductions	Total Deductions
2010[2]	$1,000[1]	$-	$1,000[1]	$1,000[1]	$ 125[10]	$-	$1,125
2011 and beyond	$-	$ 118[3][4][5][6][7][8]	$ 118	$-	$-	$ 118[3][4][5][6][7][8][9]	$ 118
	$1,000	$ 118	$1,118	$1,000	$ 125	$ 118	$1,243

Tax advantages – Minimum Offering

	All provinces other than Québec			Québec			
Year	CEE	Other Deductions	Total Deductions	CEE	Incremental Québec CEE	Other Deductions	Total Deductions
2010[2]	$1,000[1]	$-	$1,000	$1,000[1]	$ 125[10]	$-	$1,125
2011 and beyond	$-	$ 177[3][4][5][6][7][8]-	$ 177	$-	$-	$ 177[3][4][5][6][7][8][9]	$ 177
	$1,000	$ 177$	$1,177	$1,000	$ 125$	$ 177	$1,302

Tax Implications of the Investment Tax Credit – Maximum and Minimum Offering

Year	Ontario	Alberta	B.C.	Québec	Sask.	Man.
2010[2]	$135	$135	$135	$135	$135	$135
2011 and beyond	$(63)	$(53)	$(59)	$(33)	$(59)	$(63)
	$ 72	$ 82	$ 76	$102	$ 76	$72

The following assumptions form an integral part of the calculations in the above illustration of possible tax deductions:

Notes:

(1) It is assumed that 95% of the expenditures will be flow-through mining expenditures that qualify for the ITC prescribed by the Tax Act. The amount received is assumed to be treated as income in the 2011 taxation year and that all the Available Funds will be spent on CEE.

(2) It is assumed that $10,000,000 in the case of the Maximum Offering ($1,000,000 in the case of the Minimum Offering), will be expended on CEE by Mining Companies which is renounced to the Partnership with an Effective Date in 2010. See "Use of Proceeds" and "Risk Factors".

(3) Subject to note 8 below, to the extent the Partnership borrows to pay the Agent's fees, expenses of issue and other Aministrative and Operating Expenses, the unpaid principal amount will be deemed to be a limited recourse amount of the Partnership and such costs will generally not be deductible until the borrowed amount is repaid. It is assumed that the Partnership will borrow to pay the Agent's fees and expenses of issue and that the Partnership will realize sufficient capital gains to permit it to repay all amounts borrowed by the Partnership prior to dissolution.

(4) No allocations of income or loss have been taken into account.

(5) Assumes no portion of the Subscription Price will be financed with limited-recourse financing. See "Income Tax Considerations" and "Organization and Management Details of the Partnership - Details of the Partnership Agreement — Limited Recourse Financings".

(6) Assumes that Limited Partners are not liable for alternative minimum tax. See "Income Tax Considerations — Alternative Minimum Tax".

(7) A Limited Partner may not claim tax deductions in excess of such Limited Partner's "at-risk" amount. See "Income Tax Considerations". It is assumed that deductions after 2010 representing other expenses; such as, management fees and costs of issue will become available to Limited Partners due to taxable capital gains realized on the sale of Flow-Through Shares by the Partnership, which should increase the "at-risk" amount of an investment in the Units.

(8) The calculations are prepared on the assumption that the Tax Proposal of October 31, 2003 will apply to deny the deduction of any expenses other than CEE by the Partnership or a Limited Partner in respect of the Flow-Through Shares or Units, respectively, in 2010. It is further assumed that certain expenses will be deductible in 2010 and subsequent years. See note 7. See "Income Tax Considerations".

(9) It is assumed that for Québec provincial tax purposes only, a Limited Partner who is an individual (including a trust) resident, or subject to tax, in Québec has investment income that exceeds his or her investment expenses for a given year. For these purposes, investment expenses include certain interest, losses of a Limited Partner and 50% of CEE incurred outside Québec. CEE not deducted in a particular year may be carried over and applied against net investment income earned in any of the three previous taxation years or any subsequent taxation year. See "Income Tax Considerations – Certain Québec Tax Considerations".

(10) It is expected that Limited Partners who reside in Québec will be entitled to a further $125 deduction for Québec income tax purposes in respect of CEE incurred by Mining Companies in Québec and renounced to the Partnership with an Effective Date in 2010.

The actual annual tax deductions available to a Limited Partner may vary significantly from those set out above and may be affected by factors including but not limited to: the failure of the Partnership to fully invest the proceeds of the Offering; amounts renounced by the Mining Companies to the Partnership failing to qualify as CEE; a reduction in CEE which may be renounced to the Limited Partners due to limited-recourse borrowings by Limited Partners; or changes in applicable income tax legislation.

Breakeven Calculation

	Ontario	Québec	Alberta	B.C.	Sask.	Man.
Maximum Offering						
Investment	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Less: Tax Savings[(1)(2)(3)(4)]	$ 591	$ 671	$ 518	$ 565	$ 568	$ 591
Money at risk[(5)]	$ 409	$ 329	$ 482	$ 435	$ 432	$ 409
Breakeven Proceeds of Disposition[(6)]	$ 533$	$ 434	$ 599	$ 557	$ 554	$ 533
Minimum Offering						
Investment	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Less: Tax Savings[(1)(2)(3)(4)]	$ 618	$ 700	$ 541	$ 590	$ 594	$ 618
Money at risk[(5)]	$ 382	$ 300	$ 459	$ 410	$ 406	$ 382
Breakeven Proceeds of Disposition[(6)]	$ 497	$ 395	$ 570	$ 525	$ 521	$ 497

Notes and Assumptions:

(1) The highest marginal tax rates used are for individuals and are based on current federal and provincial rates and existing proposals for 2010 and 2011. The highest rate in Québec is 48.22%, Ontario, 46.41%, Alberta, 39%, British Columbia, 43.7%, Saskatchewan 44% and Manitoba, 46.4%. Future federal and provincial budgets may modify these rates and, consequently, the tax savings may change.

(2) Assumes that the Gross Proceeds are invested in Flow-Through Shares of Mining Companies that in turn expend such amounts on CEE and fully renounce such CEE to the Partnership with an Effective Date in 2010 because (i) the Partnership will pay the Agent's fee and expenses of this Offering from the proceeds of the Loan Facility, (ii) during the 2010 calendar year, the management fee is not payable until December 31, 2010 and will be paid within 60 days thereafter and (iii) during the 2010 calendar year, the Manager has agreed to advance payment for all Administrative and Operating Expenses on behalf of the Partnership. Pending payment or reimbursement by the Partnership, such costs will bear interest at the Prime Rate. For purposes of this calculation, the Performance Bonus is assumed to be nil. Amounts borrowed under the Loan Facility will be used to pay the Agent's fee and expenses of this Offering only. See "Income Tax Considerations – Computation of Income of Limited Partners".

(3) The tax savings are calculated by multiplying the total estimated income tax deductions for each year by the assumed highest marginal tax rate for that year. The tax savings calculated reflect the impact of the 15% ITC in respect of Flow-Through Shares. It is assumed that the ITC would apply to approximately 90% of the exploration expenses renounced to the Limited Partners. The impact of provincial tax credits has not been included in the tax savings calculations except for the Québec additional and supplementary deductions. It is assumed that approximately 25% of the expenses will qualify for such deductions. In the year following the year in which the ITC is claimed, it will be credited to the individual's cumulative Canadian exploration expense pool in all provinces and territories (except in the case of the Province of Québec for provincial tax purposes only). Any negative balance in the pool resulting from the reduction of the pool by the ITC claimed would be included in the individual's taxable income in that year.

(4) Assumes that the Limited Partner is not liable for alternative minimum tax. See "Income Tax Considerations – Alternative Minimum Tax".

(5) Money at risk is calculated as the total investment less all income tax savings from deductions as described in (2) and (3) above.

(6) The breakeven proceeds of disposition represents the amount an investor must receive such that, after paying capital gains tax, the investor would recover such investor's money at risk.

(7) The Partnership will incur costs that are deductible for income tax purposes, including the Agent's fee and the expenses of the Offering. To the extent that the Partnership borrows to pay such costs, the unpaid principal amount and interest thereon will be a limited recourse amount of the Partnership and such costs will generally not be deductible until the borrowed amount is repaid, at which time the expense will be deemed to have been incurred to the extent of the amount repaid. The repaid amount in respect of expenses in respect of the Offering, including the Agent's fee, will be fully deductible to the extent they are reasonable, and as to 20% thereof in the year of repayment, and as to 20% thereof in each of the four subsequent years, pro-rated for short taxation years. See "Income Tax Considerations – Computation of Income of Limited Partners.

(8) Assumes that recourse for any financing by a Limited Partner of the subscription price for Units is not limited and is not deemed to be limited. See "Income Tax Considerations – Computation of Income of Limited Partners.

(9) Assumes that the Loss Limitation Rule does not apply to limit losses of the Partnership or the Limited Partners. See Income Tax Considerations".

(10) The figures in the foregoing tables may be rounded.

An investment in Units may be suitable only for Subscribers whose incomes are subject to the highest marginal income tax rates. To avail themselves of the maximum tax deductions available, Subscribers should utilize the tax deductions available in 2010 in their 2010 taxation year and other deductions in the year in which they are available. Subscribers should be aware that the above calculations are based on estimates and assumptions which cannot be represented to be complete or accurate in all respects. The impact of provincial tax credits has not been included in the tax savings calculations except for the Québec additional and supplementary deductions. These calculations assume the income tax savings are realized for the taxation year 2010 and for the taxation years 2011 and beyond and do not take into account the time value of money. See "Risk Factors".

An individual who purchases Units must have a certain minimum of taxable income for federal tax purposes, before subtracting income tax deductions associated with the Units, to obtain the estimated tax savings set out above with respect to the specific number of Units such individual purchased. Subscribers intending to purchase Units should consult their tax advisors to determine the amount of taxable income required in 2010 to benefit fully from the income tax savings associated with a purchase of Units, including the avoidance of any additional tax liability under the alternative minimum tax. See "Income Tax Considerations", "Fees and Expenses" and "Risk Factors".

The *Taxation Act* (Québec) provides that where an individual taxpayer (including a personal trust) incurs, in a given taxation year, investment expenses to earn investment income in excess of the investment income earned for that year, such excess shall be included in the taxpayer's income, resulting in an offset of the deduction for such portion of these investment expenses. For these purposes, investment expenses include certain deductible interest and losses of a Limited Partner and 50% of CEE renounced to and allocated to such Limited Partner (other than CEE incurred in Québec), and investment income includes taxable capital gains not eligible for the capital gains exemption. That portion of the investment expenses which has been included in the Limited Partner's income in a given taxation year may be deducted against investment income earned in any of the three previous taxation years and any subsequent taxation year, provided the investment income earned in any of these years exceeds the investment expenses incurred in that year.

FEES AND EXPENSES

Initial Fees and Expenses

The expenses of the Offering (which are estimated to be, in aggregate, $77,400 in the case of the Minimum Offering and $180,000 in the case of the Maximum Offering) (including the costs of creating and organizing the Partnership, the costs of printing and preparing the prospectus, legal and audit and accounting expenses of the Partnership, marketing expenses and legal and other reasonable expenses incurred by the Agent and other incidental expenses) may be paid by the Partnership, in whole or in part, with funds borrowed under the Loan Facility. In addition, the Agent's fee will be paid to the Agent with funds borrowed under the Loan Facility as described under "Plan of Distribution".

Agent's Fee

The Agent's fee is equal to 10% of the Offering, comprised of a selling commission of 6.5% and a corporate finance fee of 3.5%. The Agent's fee will be paid by the Partnership from funds borrowed by the Partnership under the Loan Facility for such purpose.

Management Fee

The General Partner has formed and established the Partnership and taken the steps necessary to permit the public distribution of the Units. The Partnership and the General Partner have contracted with the Manager under the

Management Agreement for the provision of substantially all of these services, and for portfolio management services. See "Organization and Management Details of the Partnership - Details of the Partnership Agreement".

In consideration for portfolio management services and pursuant to the terms of the Partnership Agreement, the Partnership will pay to the Manager an annual fee equal to 2% of the Net Asset Value. This fee will be calculated and paid monthly in arrears in cash based on the Net Asset Value at the end of the preceding month.

Performance Bonus

The Manager is entitled to the Performance Bonus, payable on a per Unit basis, in an amount equal to 20% of the amount by which (i) the amount determined by dividing the Net Asset Value (prior to calculating the Performance Bonus) by the total number of Units outstanding on the Performance Bonus Date exceeds (ii) the Performance Threshold. The Performance Bonus will be calculated on the Performance Bonus Date and paid as soon as practicable thereafter.

Administrative and Operating Expenses

The Partnership will pay all Administrative and Operating Expenses. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Limited Partners; (b) fees payable to the auditors, legal and other professional advisors of the Partnership; (c) printing fees, registrar and transfer agent fees; (d) taxes and ongoing regulatory filing fees; (e) any reasonable expenses incurred by the General Partner and the Manager or their agents in connection with their ongoing obligations to the Partnership; (f) expenses relating to portfolio transactions; (g) payment of principal, interest and other costs in respect of the Loan Facility; (h) fees payable to the Independent Review Committee; (i) any reasonable out-of-pocket expenses incurred by the Manager and the General Partner and their agents in connection with their ongoing obligations; and (j) any expenditures which may be incurred in connection with the dissolution of the Partnership. The General Partner estimates that these Administrative and Operating Expenses will be approximately $350,000 per annum in the case of the Maximum Offering and $175,000 per annum in the case of the Minimum Offering.

The Manager is authorized to fund Administrative and Operating Expenses through the sale of Flow-Through Shares and other securities held by the Partnership. No additional fee will be payable to the Manager for these services; however, the Manager will be entitled to reimbursement for reasonable expenses related to its performances of these services.

The Manager is also entitled to receive interest at the Prime Rate on the amounts advanced by it to the Partnership in respect to the Administrative and Operating Expenses. See "Organization and Management Details of the Partnership, The Manager and Portfolio Advisor of the Partnership, The General Partner" and "Details of the Partnership Agreement".

The Manager may also provide the Partnership with office facilities, equipment and staff as required and the Partnership will reimburse the Manager for the cost thereof. The Manager will also be entitled to reimbursement for certain expenses incurred on behalf of the Partnership.

Loan Facility

The Partnership plans to arrange the Loan Facility principally for the purpose of funding the Agent's fee and the expenses of this Offering, including certain operating expenses incurred by the Partnership during the last quarter of 2010 in whole or in part. As at the date of this prospectus, no amount of indebtedness is outstanding to the lender. The Partnership expects that it will be able to borrow up to the amount of the aggregate of the Agent's fee and the expenses of this Offering, such amount not to exceed 18.75% of the Gross Proceeds in the case of the Minimum Offering and 13.3% of the Gross Proceeds in the case of the Maximum Offering. The Manager will ensure that the interest rates, fees and expenses under the Loan Facility will be typical of credit facilities of this nature. The Partnership anticipates that its obligations under the Loan Facility will be secured by a pledge of the assets held by the Partnership. Limited Partners will not be required to provide security for the Loan Facility. Prior to the earlier of: (i) the dissolution of the Partnership; or (ii) the Maturity Date of the Loan Facility, the Manager intends to cause all amounts outstanding under the Loan Facility, including all interest accrued thereon, to be repaid in full. The unpaid

principal amount of the Loan Facility will be deemed to be a limited recourse amount of the Partnership under the Tax Act which reduces the amount of related expenses that would otherwise be deductible by the Partnership in the year these expenses are incurred.

RISK FACTORS

This is a speculative Offering. As of the date of this prospectus, the Partnership has not entered into any Share Purchase Agreement with any Mining Companies. There is no assurance of a return on a Subscriber's initial investment. The Units may be suitable only for Subscribers with income that is subject to high marginal tax rates, who are aware of the inherent risks in resource exploration and development who can afford a total loss of their investment and who have no immediate need for liquidity. Aside from tax benefits, Subscribers should consider whether the Units have sufficient merit solely as an investment. In addition, the purchase of Units involves significant risk factors, including, but not limited to, the following:

Economic Downturn or Recession

There is no assurance, in the event of a continued or a further general economic downturn or recession, that the business, financial condition and results of operations of the Mining Companies in which the Partnership invests and of the Partnership will not be materially adversely affected.

Marketability and Transferability of Units

There is no public market for the Units. It is not expected, and it is unlikely, that any public market will develop through which a Subscriber may sell Units. Accordingly, this investment should be considered only by investors who do not require liquidity.

In certain jurisdictions, an assignment of a limited partnership interest may not be fully effective until reflected in an amendment to the certificate of limited partnership filed pursuant to local legislation. In certain jurisdictions, such an amendment requires the signature of all Limited Partners, but may be signed on behalf of one or more Limited Partners by power of attorney. A power of attorney so given by a holder may be revoked or rendered ineffective by the death or bankruptcy of the holder, thus delaying the procedure for recording assignments or rendering the full recording of the issue and transfer of Units impractical without obtaining a court order.

As most of the tax advantages that would ordinarily flow through to Limited Partners are expected to be realized in the 2010 taxation year, to realize such tax advantages the person must be a Limited Partner as of December 31, 2010. An assignee of Units who effects such assignment after December 31, 2010 is not expected to realize such tax advantages.

Nature of Resource Exploration

Resource exploration involves a high degree of risk which even the combination of experience and knowledge of the Mining Companies may not be able to avoid. Other risks to be considered in exploration include, without limitation, fluctuations in the price of metals and minerals, possible claims of native peoples, government regulations, environmental protection and the protection of agricultural lands. Though they may, at times, have an effect on the share price of Mining Companies, the effect of these factors cannot be accurately predicted.

Resale and Other Restrictions Pertaining to Flow-Through Shares and Other Securities of Mining Companies

Flow-Through Shares and other securities, if any, of Mining Companies purchased by the Partnership on a private placement basis generally will be subject to resale restrictions. It is expected that substantially all of the resale restrictions on such securities of public companies under Canadian securities legislation will expire after a four month period. During periods when resale restrictions apply, the Partnership may only dispose of such securities only pursuant to certain statutory exemptions. The Partnership will not invest in Mining Companies which are not reporting issuers and therefore will not be subject to continuing resale restrictions.

Investments of the Partnership

Investors who are not willing to rely on the discretion of the Manager should not purchase Units. The Manager will determine the composition of the portfolio of Flow-Through Shares and other securities, if any, of Mining Companies owned by the Partnership, will negotiate the pricing of securities purchased for the Partnership and will decide on the disposition of such securities.

Investors should be aware that the value of the Units will vary with variations in the value of the investments held by the Partnership, and may vary due to adverse fluctuations in foreign exchange rates. Fluctuations in the market values of such investments and in foreign exchange rates will occur for a number of reasons beyond the control of the Partnership or the Manager. Investors should also be aware that there may not be an adequate market to permit the sale of Flow-Through Shares and other securities, if any, of Mining Companies by the Partnership due to fluctuations in trading volumes and the market prices of such Flow-Through Shares and other securities, if any. There is no assurance of a positive return.

Furthermore, Mining Companies may not comply with the provisions of the Share Purchase Agreements or with the provisions of applicable income tax legislation with respect to the nature of expenses renounced to the Partnership.

Legal and Administrative Proceedings

The Partnership is required under applicable Canadian securities legislation to comply with certain obligations, including continuous disclosure obligations. The Autorité des marchés financiers has in the past raised concerns in writing with respect to Northern 2006, Northern 2007 and Northern 2007-II, including concerns with respect to continuous disclosure issues. As a result of these concerns, these Previous Northern Partnerships were required to take a number of remedial actions, including filing amended annual reports. In addition, Northern 2008 was required by the Autorité des marchés financiers to withdraw its public offering by prospectus dated February 25, 2008 and return all funds received from subscribers due to the fact that the minimum amount of subscriptions had not been subscribed for within 90 days of the issuance of the final receipt therefor. The Partnership will endeavour to comply with all of its obligations, including continuous disclosure obligations under applicable Canadian securities legislation. Moreover, the Autorité des marchés financiers has filed a request with the *Bureau de décision et de révision* for the imposition of an administrative penalty of approximately $17,000 on the Manager in respect of certain of these issues, which has, as yet, not been resolved.

General Partner

While the General Partner has unlimited liability for the obligations of the Partnership and has agreed to indemnify the Limited Partners in certain circumstances, the General Partner does not have, and it is not expected that the General Partner will have, significant financial resources. Furthermore, the General Partner will be deemed to resign as the General Partner on the bankruptcy, dissolution, liquidation or winding-up of the General Partner and, accordingly, may not have the ability to actually indemnify Limited Partners.

Tax Related Risks

Limited Partners who sell their Units may not realize proceeds equal to their *pro rata* share of the Net Asset Value and the sale of a Unit may result in unfavorable tax consequences for the transferor. See "Income Tax Considerations".

The Partnership may not be able to fully invest all of the Available Funds resulting in the reduction of the tax advantages available to Limited Partners. There is a further risk that expenditures incurred by a Mining Company may not qualify as CEE or that CEE incurred will be reduced by other events including failure to comply with the provisions of Share Purchase Agreements or of applicable income tax legislation. The Partnership may also fail to comply with applicable legislation. There is no assurance that Mining Companies will incur all CEE on or before December 31, 2011, renounce CEE equal to the price paid to them effective December 31, 2010, or that any expenses will qualify for the ITC. The extension of the ITC program was announced in the 2007 federal budget but has not yet been enacted into law.

There is also a possibility that the Partnership will invest up to 5% of the Available Funds in free-trading shares of Mining Companies which do not have the attributes of Flow-Through Shares. In such event the amount of deductions that Limited Partners will be able to claim for income tax purpose will be reduced accordingly.

Units are designed for investors in the highest marginal income tax brackets. There can be no assurance that income tax laws or administrative practices federally or in any province, as the case may be, will not be changed in a manner which will fundamentally alter the tax consequences to Limited Partners of holding or disposing of Units. These factors may reduce or eliminate the return on a Limited Partner's investment in the Units.

If CEE renounced within the first three months of 2011 effective December 31, 2010 is not in fact incurred in 2011, the Partnership's, and consequently, the Limited Partners', CEE may be reassessed by the CRA effective as of December 31, 2010 in order to reduce the Limited Partners' deductions with respect thereto. However, none of the Limited Partners will be charged interest on any unpaid tax as a result of such reduction for any period before May 2012.

If a Limited Partner finances the acquisition of the Units with a financing for which recourse is, or is deemed to be, limited, the CEE or other expenses incurred by the Partnership may be reduced by the amount of such financing.

The possibility exists that a Limited Partner will receive an allocation of income without receiving cash distributions from the Partnership in the year sufficient to satisfy the Limited Partner's tax liability for the year arising from his, her or its status as a Limited Partner.

If any Limited Partner is not a resident of Canada at the time of the dissolution of the Partnership, any distribution of undivided interests in the assets of the Partnership may not be effected on a tax-deferred basis. The CRA may disagree as to whether Limited Partners may receive securities of Mining Companies on a tax-deferred basis on the dissolution of the Partnership.

Under the Partnership Agreement and the Management Agreement, fees shall be payable to the Manager. To the extent that the Partnership deducts such fees in computing income of the Partnership, there is a possibility that the CRA may assert that an entitlement of the Manager to such fees is more appropriately treated as an entitlement to share in any income of the Partnership as a partner and, therefore, may not result in a deduction in computing the Partnership's income. If the CRA successfully applied any such treatment, then a loss of the Partnership otherwise allocable to the Limited Partners would be reduced or denied to the extent of such deduction. It is possible that the CRA will take the position that the Tax Proposals will limit the ability of Limited Partners to claim business losses after 2004. Further, to the extent that the CRA denies the deductibility of business losses for taxation years starting after 2004 pursuant to the Tax Proposals of October 31, 2003, such loss incurred by the Partnership and otherwise allocable to Limited Partners may be reduced or denied.

The alternative minimum tax may limit tax benefits to Limited Partners.

The *Taxation Act* (Québec) provides that where an individual taxpayer (including a personal trust) incurs, in a given taxation year, investment expenses to earn investment income in excess of the investment income earned for that year, such excess shall be included in the taxpayer's income, resulting in an offset of the deduction for such portion of these investment expenses. For these purposes, investment expenses include certain deductible interest and losses of a Limited Partner and 50% of CEE renounced to and allocated to such Limited Partner (other than certain CEE incurred in Québec), and investment income includes taxable capital gains not eligible for the capital gains exemption. That portion of the investment expenses which has been included in the Limited Partner's income in a given taxation year may be deducted against investment income earned in any of the three previous taxation years and any subsequent taxation year, provided the investment income earned in any of these years exceeds the investment expenses incurred in that year.

A Limited Partner who does not own Units at the end of a fiscal year of the Partnership will not be able to claim certain tax deductions, his pro rata share of any loss of the Partnership and investment tax credits, if any. See "Income Tax Considerations - Taxation of Securityholders".

Changes in Net Asset Values

The purchase price per Unit paid by a Subscriber may be less than or greater than the aggregate Net Asset Value per Unit at the time of purchase. The value of the Units may fluctuate due to variations in the value of investments held by the Partnership. Fluctuations in the market values of portfolio investments may occur for a number of reasons beyond the control of the Partnership and the Manager, including fluctuations in market prices for commodities and foreign exchange rates and other risks described above under "Investments of the Partnership". The Partnership may invest primarily in securities issued by companies engaged in the mining or related resource businesses (including junior issuers). Accordingly, the investment portfolio of the Partnership may be more volatile than portfolios with a more diversified investment focus.

Possible Loss of Limited Liability

The *Civil Code of Québec* provides that a limited partner benefits from limited liability unless, in addition to exercising rights and powers as a limited partner, such limited partner takes part in the control of the business of a partnership of which such limited partner is a member. A Limited Partner is liable for such Limited Partner's purchase price for the Units, *pro rata* share of undistributed income retained by the Partnership and for any portion of the purchase price for the Units returned to such Limited Partners by the Partnership, with interest. In order that the liability of the Limited Partners be limited to the extent described, certain legal requirements under the *Civil Code of Québec* and other applicable provincial legislation must be satisfied.

The limitation of liability conferred under the *Civil Code of Québec* may be ineffective outside Québec except to the extent it is given extra-territorial recognition or effect by the laws of other jurisdictions. There may also be requirements to be satisfied in each jurisdiction to maintain limited liability. If limited liability is lost, Limited Partners may be considered to be general partners (and therefore be subject to unlimited liability) in such jurisdiction by creditors and others having claims against the Partnership.

Furthermore, a Limited Partner remains liable for any portion of the purchase price for the Units returned by the Partnership to such Limited Partner, with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such amount was returned.

Lack of Suitable Investments

The Manager may not be able to identify a sufficient number of investments in Flow-Through Shares or other securities, if any, of Mining Companies to fully invest the Available Funds by December 31, 2010, and therefore, capital may be returned to Limited Partners and Limited Partners may be unable to claim anticipated deductions from income for income tax purposes. In such event, the tax advantages available to Limited Partners will be reduced accordingly.

To obtain all of the tax advantages for Limited Partners as described herein, the Partnership is required to enter into Share Purchase Agreements with Mining Companies in respect of all of the Available Funds by December 31, 2010. If the Manager is unable to enter into Share Purchase Agreements by December 31, 2010 for the full amount of Available Funds from this Offering, the Manager will cause to be returned to each Limited Partner as soon as practicable, and, in any event, by March 1, 2011, such Limited Partner's share of the uncommitted amount, except to the extent that such funds are expected to be required to finance the operations of the Partnership or repay indebtedness of the Partnership. In such event, the tax advantages available to Limited Partners will be reduced accordingly.

Conflict of Interest

There may be a potential for conflicts of interest as a result of certain officers or directors of the General Partner and the Manager being officers, directors and shareholders of, and certain affiliates of the General Partner and the Manager being shareholders of, Mining Companies with which the Partnership may enter into Share Purchase Agreements.

There may be situations in which conflicts of interest may arise between the General Partner and the Manager and their respective officers and directors in relation to the interests of the Partnership. Except for Mr. Jean-Guy Masse, none of the directors and officers of the General Partner or of the Manager will devote their full time to the business and affairs of the General Partner. See "Organization and Management Details of the Partnership - Conflicts of Interest".

Illiquidity of the Portfolio Investments

Many of the securities held by the Partnership, including those listed and not subject to resale restrictions, may be relatively illiquid and may decline in price if a significant number of shares are offered for sale.

Flow-Through Share Premiums

Flow-Through Shares may be issued to the Partnership at prices that exceed the market prices of similar common shares that do not permit CEE to be renounced in favour of the holders. Competition for the purchase of Flow-Through Shares may increase the premium at which such shares are available for purchase by the Partnership.

Leverage

The interest expense and banking fees incurred by the Partnership in respect of the Loan Facility, if any, by the Partnership may exceed the incremental capital gains and tax benefits generated by the incremental investment in Flow-Through Shares. There can be no assurance that the borrowing strategy employed by the Partnership will enhance returns and furthermore, there is no assurance that the Manager will be able to arrange the Loan Facility. The Loan Facility will be used to finance payment of the Agent's fee, the expenses of the Offering and certain Administrative and Operating Expenses.

Pursuant to the Loan Facility, the Partnership will be able to borrow up to the amount of the aggregate of the Agent's fee and the expenses of this Offering, such amount not to exceed 18.75% of the Gross Proceeds in the case of the Minimum Offering and 13.3% of the Gross Proceeds in the case of the Maximum Offering. The Partnership's obligations under the Loan Facility will be secured by a pledge of the assets held by the Partnership.

DISTRIBUTION POLICY

The Partnership expects to make, in the discretion of the General Partner, cash distributions to Limited Partners from time to time, on a *pro rata* basis, with the proceeds received from the sale of shares or other securities, if any of Mining Companies. The Partnership will not reinvest the proceeds received from the sale of shares or other securities, if any, of Mining Companies.

PURCHASE OF SECURITIES

Every Subscriber whose subscription is accepted by the General Partner will, at the applicable Closing, become a party to the Partnership Agreement. The General Partner reserves the right to reject subscriptions at its discretion including subscriptions by a "non-Canadian" within the meaning of the *Investment Canada Act* or by a "non-resident" of Canada or a "financial institution" within the meaning of the Tax Act. No fractional Units will be issued. See "Organization and Management Details of the Partnership - Details of the Management Agreement".

The interests of the Limited Partners will be divided into and represented by an unlimited number of Units. Each Unit entitles the holder thereof to the same rights and subjects such holder to the same obligations as the holder of any other Unit and no Limited Partner is entitled to any privilege, priority or preference in relation to any other Limited Partner. The Partnership does not intend to issue Units other than as qualified by this prospectus.

A Subscriber who subscribes for Units, subject to the Partnership Agreement, among other things:

(a) consents to the disclosure of certain information to, the General Partner and its service providers, including such Subscriber's full name, residential address or address for service, social insurance number or the

corporation account number, as the case may be, and the name and registered representative number of the representative of the securities dealer responsible for such subscription and covenants to provide such information to the Agent;

(b) acknowledges that he, she or it is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner;

(c) makes or is deemed to make the representations and warranties set out in the Partnership Agreement, including without limitation, representations and warranties that he, she or it:

(i) is not a "non-resident" for the purposes of the Tax Act or an entity an interest in which is a "tax shelter investment" for purposes of the Tax Act or a "non-Canadian" within the meaning of the *Investment Canada Act*;

(ii) is not a partnership, or, in the case that it is a partnership, it is a "Canadian partnership" for purposes of the Tax Act;

(iii) has not financed the acquisition of the Units with borrowings for which recourse is, or deemed to be, limited for purposes of the Tax Act;

(iv) is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act unless such prospective purchaser has provided written notice to the contrary to the Partnership prior to the date of acceptance of the prospective purchaser's subscription for Units; and

(v) will maintain the status set out in (i), (ii), (iii) and (iv) above during such time as the Units are held;

(d) irrevocably nominates, constitutes and appoints the General Partner as his true and lawful attorney with the full power and authority as set out in the Partnership Agreement;

(e) irrevocably authorizes, if applicable, the General Partner to file on behalf of the Subscriber all elections deemed necessary or desirable under the Tax Act and any other applicable tax legislation in respect of the dissolution of the Partnership; and

(f) covenants and agrees that all documents executed and other actions taken on behalf of the Limited Partners pursuant to the power of attorney set out in the Partnership Agreement will be binding upon such Subscriber, and each Subscriber agrees to ratify any of such documents or actions upon request by the General Partner or the Manager.

REDEMPTION OF SECURITIES

Units are not redeemable by the Limited Partners. However, the Partnership may redeem Units in certain circumstances. See "Organization and Management Details of the Partnership".

INCOME TAX CONSIDERATIONS

Tax considerations ordinarily make the Units offered hereunder most suitable for those taxpayers whose income is subject to the highest marginal rate of tax. Regardless of any tax benefits that may be obtained, a decision to purchase Units should be based primarily on an appraisal of the merits of the investment as such and on an investor's ability to bear possible loss of his, her or its investment. Investors acquiring Units with a view to obtaining tax advantages should obtain independent tax advice from a tax advisor who is knowledgeable in the area of income tax law.

In the opinion of Lavery, de Billy, L.L.P., counsel to the Partnership and the Manager, and Heenan Blaikie LLP, counsel to the Agent, the following is, as of the date hereof, a summary of the principal Canadian federal income tax consequences for a purchaser who acquires Units pursuant to this prospectus and has paid the Subscription Price for

the Units in full by December 31, 2010. This summary is applicable only to Subscriber who are, at all relevant times, resident or deemed to be resident of Canada and who will hold their Units as capital property and assumes that Flow-Through Shares will be held as capital property by the Partnership. Provided that a Subscriber does not hold Units in the course of carrying on a business and has not acquired Units as an adventure in the nature of trade, Units will generally be considered to be capital property to such Subscriber. Except as otherwise indicated, this summary assumes that (i) the Units are not, and will not be, listed on a stock exchange or other public market within the meaning of the Tax Act, (ii) recourse for any financing by a Limited Partner of the Subscription Price for Units is not limited and is not deemed to be limited for the purposes of the Tax Act; (iii) the Limited Partners have not made a functional currency reporting election under the Tax Act; and (iv) each and all Limited Partners will at all relevant times deal at arm's length, for the purposes of the Tax Act, with each of the Mining Companies with which the Partnership enters into a Share Purchase Agreement. This summary is not applicable to a limited partner an investment in which is a tax shelter investment as defined in the Tax Act. This summary is not applicable to taxpayers that are "financial institutions" as defined in subsection 142.2(1) of the Tax Act, "principal-business corporations" as defined in subsection 66(15) of the Tax Act, or whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons, partnerships or trusts. This summary assumes that all Canadian Exploration Expenses will be validly incurred and renounced and that all filings required under the Tax Act will be made on a timely basis.

This summary is based on the assumption that the Partnership is not, and will not be at any material time, a "specified person" within the meaning of the Tax Act or the regulations passed thereunder in relation to any Mining Company with which it has entered into a Share Purchase Agreement.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Subscriber for Units. It is impractical to comment on all aspects of federal income tax laws which may have relevance to any particular Subscriber (individual, trust or corporation) who acquires Units. Accordingly, each prospective Subscriber should obtain independent advice from a tax advisor who is knowledgeable in the area of income tax law regarding the income tax consequences of investing in the Partnership based on the Subscriber's own particular circumstances.

The income tax considerations applicable to a Subscriber will vary depending on a number of factors, including whether such Subscriber's Units are characterized as capital property, the province or territory in which such Subscriber resides, carries on business or has a permanent establishment, the amount that would be such Subscriber's taxable income but for such Subscriber's interest in the Partnership and the legal characterization of the Subscriber as an individual, corporation, trust or partnership.

The Partnership has neither obtained, nor sought, an advance income tax ruling from CRA.

This summary is based on the current provisions of the Tax Act, the *Taxation Act* (Québec) and the regulations thereunder ("**Regulations**") and counsel's understanding of the current published administrative practices of CRA and Revenue Québec. The summary also takes into account all specific Tax Proposals. This summary does not otherwise take into account or anticipate any changes in laws whether by judicial, governmental or legislative decision or action or any changes in administrative practices of CRA nor does it take into account provincial, territorial or foreign income tax legislation or considerations. For the purposes of this summary it has been assumed that the Tax Proposals will be enacted as proposed. There is no certainty that the Tax Proposals will be enacted in the form proposed, if at all; however, other than as described below, the Canadian federal income tax considerations generally applicable to investors with respect to Flow-Through Shares will not be different in a material adverse way if the proposed amendments are not enacted.

Status of the Partnership

The Partnership itself is not liable for income tax and is not required to file income tax returns except for an annual information form.

The Units do not constitute "qualified investments" for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability saving plans, tax free saving accounts or deferred profit sharing plans for the purposes of the Tax Act.

Taxation of the Partnership

The Partnership is not itself a taxable entity and is not required to file income tax returns except for an annual information return.

Taxation of Securityholders

Highlights

These comments must be read in conjunction with the detailed summary of the income tax consequences which follows. In brief, a taxpayer who is a Limited Partner at the end of a fiscal year of the Partnership may, subject to the "at-risk" rules (discussed below under "Limitations on Deductibility of Expenses or Losses of the Partnership"), deduct in computing such Limited Partner's income for federal income tax purposes for the applicable taxation year in which the fiscal year of the Partnership ends, whether or not any distributions have been made by the Partnership.

(a) an amount equal to 100% of CEE renounced to the Partnership and allocated to such Limited Partner by the Partnership in respect of the fiscal year of the Partnership; and

(b) such Limited Partner's *pro rata* share of any losses of the Partnership incurred in the fiscal year of the Partnership without taking into account the expenditures or deductions referred to above.

In addition, a Limited Partner who is an individual (other than a trust) will be permitted to claim a 15% non-refundable ITC reducing the individual's federal tax otherwise payable in such taxation year where certain CEE is renounced to the Partnership pursuant to a Share Purchase Agreement entered into on or before March 31, 2011. Such expenses must be incurred, or deemed to have been incurred, by a Mining Company before January 1, 2012, and will not include expenses renounced to a Mining Company pursuant to an agreement entered into after March 31, 2011. It cannot be assured that any expenses will qualify for the ITC. The Limited Partner will be required to deduct the amount of any tax credit claimed in a taxation year from such Limited Partner's cumulative Canadian exploration expense ("**CCEE**") account in the following taxation year. If at the end of such following year, the Limited Partner's CCEE is a negative amount, such amount is included in income in that year for federal income tax purposes. Any unapplied portion of the ITC may be claimed in the following twenty years or the preceding three years in accordance with the rules in the Tax Act.

Canadian Exploration Expense

Provided that certain conditions in the Tax Act are fulfilled including the payment by the Partnership of the Subscription Price in money prior to December 31, 2010, the Partnership will be deemed to incur CEE renounced to the Partnership by Mining Companies pursuant to any Share Purchase Agreements on the Effective Date of the renunciation. Provided that certain further conditions in the Tax Act are fulfilled, certain CEE incurred by a Mining Company on or before December 31, 2011 can be renounced to the Partnership with an Effective Date of December 31, 2010, provided such renunciation is made by March 31, 2011, and the Partnership will be deemed to have incurred such CEE on December 31, 2010. Share Purchase Agreements entered into during 2010 may permit a Mining Company to incur CEE at any time up to December 31, 2011 provided that the Mining Company agrees to renounce such CEE to the Partnership with an Effective Date of December 31, 2010.

Under the terms of the Partnership Agreement, each Share Purchase Agreement will be required to contain covenants and representations of the Mining Company so as to ensure that CEE incurred by the Mining Company in an amount equal to the subscription price payable for the Flow-Through Shares can be renounced to the Partnership with an Effective Date of not later than December 31, 2010. Under the terms of the Partnership Agreement, each Share Purchase Agreement will also require that the Mining Company expend the full amount committed by the Partnership and renounce such expenditures to the Partnership with an Effective Date of not later than December 31, 2010.

If CEE is renounced within the first three months of 2011 with an Effective Date of December 31, 2010, and such CEE is not in fact incurred in 2011, the Partnership's, and consequently the Limited Partners, CEE may be reassessed by CRA effective as of December 31, 2010 in order to reduce the Limited Partners' deductions with respect thereto.

However, none of the Limited Partners will be charged interest on any unpaid tax arising as a result of such reduction for any period before May 2012.

A Limited Partner does not deduct directly any CEE renounced to the Partnership and allocated to such Limited Partner in respect of a fiscal year of the Partnership but adds such CEE to such Limited Partner's CCEE account. A Limited Partner's share of CEE incurred by the Partnership in a fiscal year is considered for these purposes to be limited to such Limited Partner's "at-risk amount" in respect of the Partnership at the end of the fiscal year. See "Limitations on Deductibility of Expenses or Losses of the Partnership". If such Limited Partner's share of CEE is so limited, any excess will be added to such Limited Partner's share, as otherwise determined, of the CEE incurred by the Partnership in the immediately following fiscal year, subject again to the at-risk amount limitation.

Subject to the "at-risk" rule and rules respecting the deductibility of expenses in respect of a "tax shelter investment" as described below, a Limited Partner may deduct, in computing such Limited Partner's income from all sources for a particular taxation year, such amount as such Limited Partner may claim not exceeding 100% of such Limited Partner's CCEE account at the end of that taxation year. Certain restrictions may apply in respect of the deduction of CCEE following an acquisition of control of, or certain corporate reorganizations involving a corporate Limited Partner. CCEE not deducted may generally be carried forward indefinitely.

A Limited Partner's CCEE account is reduced by deductions claimed in prior years and by such Limited Partner's share of any amount that such Limited Partner or the Partnership received or is entitled to receive as assistance in respect of CEE incurred, or that can reasonably be related to Canadian exploration activities and by the amount of any investment tax credits claimed for a preceding year. If, at the end of a taxation year, the reductions in calculating the Limited Partner's CCEE account exceed the balance thereof at the beginning of the year and additions thereto during the year, the excess must be included in computing the Limited Partner's income for that year and the amount of the Limited Partner's CCEE account at the end of the year will be nil. Generally, a Limited Partner will be entitled to continue to deduct an undeducted amount from such Limited Partner's CCEE account notwithstanding a disposition of his Units or a liquidity event.

Each Share Purchase Agreement will provide that, if the Mining Company fails to incur and renounce CEE equal to the subscription price for the Flow-Through Shares subscribed for by the Partnership, the Limited Partners will be entitled to be indemnified for any additional tax payable as a result of such failure of the Mining Company. If a Limited Partner receives such an indemnity payment, it is the CRA's position that such indemnity payment would be included in calculating the Limited Partner's income but the Limited Partner may make an election under subsection 12(2.2) of the Tax Act to net the indemnity payment against the additional (non-deductible) tax payable such that the Limited Partner does not have to pay tax on the indemnity payment.

The sale or other disposition of Units will not result in the reduction of any Limited Partner's CCEE account and the sale by the Partnership or the Limited Partners of any Flow-Through Shares will not result in a reduction in any Limited Partner's CCEE account.

Computation of Income of Limited Partners

The Partnership is not itself a taxable entity. However, each Limited Partner will be required to include in computing such Limited Partner's income or loss for tax purposes for a taxation year, subject to the "at-risk" rules and the "tax shelter investment" rules, such Limited Partner's *pro rata* share of the income or loss for each fiscal year of the Partnership ending in, or at the end of, that taxation year, whether or not such Limited Partner has received or will receive a distribution from the Partnership. The fiscal year of the Partnership ends on December 31 in each calendar year and a fiscal year of the Partnership will end upon the dissolution of the Partnership.

Each Limited Partner will generally be required to file an income tax return reporting such Limited Partner's share of the income or loss of the Partnership. While the Partnership will provide each Limited Partner with information required for income tax purposes pertaining to such Limited Partner's investment in Units, the Partnership will not prepare or file income tax returns on behalf of any Limited Partner. Each person who is a member of the Partnership in a year will be required to file an information return on or before the last day of March in the following year in respect of the activities of the Partnership or, where the Partnership is dissolved, within 90 days of the dissolution. A

return made by any one partner will be deemed to have been made by each member of the Partnership. Under the Partnership Agreement, the Manager is required to file the necessary return.

The income or loss of the Partnership will be computed as if the Partnership were a separate person resident of Canada without taking into account any deduction in respect of, among other things, CEE. Any CEE renounced to the Partnership will be allocated, in accordance with the Partnership Agreement and the Tax Act, to those persons who are Limited Partners of the Partnership at the end of the fiscal year of the Partnership which includes the Effective Date on which the CEE is renounced and each such Limited Partner will be entitled to deduct directly through such Limited Partner's CCEE account, and not as part of the income or loss of the Partnership, in accordance with the provisions of the Tax Act, an amount in respect of such CEE. The income of the Partnership will include the taxable portion of any capital gain that it realizes on a disposition of Flow-Through Shares or other securities. The Tax Act deems the cost to the Partnership of any Flow-Through Shares which it acquires to be nil and, therefore, the amount of such capital gain generally will equal the proceeds of disposition of the Flow-Through Shares, net of reasonable costs of disposition. Once the Partnership has disposed of the Flow-Through Shares and acquires other securities, the Partnership's gain or loss on the disposition of these other securities will be calculated by reference to the acquisition cost of those securities.

The Partnership advises counsel that it intends to borrow sufficient funds to pay certain expenses and fees it will incur in respect of this Offering, consisting primarily of expenses of the Offering and the Agent's fee. The unpaid principal amount of such borrowing will be deemed to be a limited recourse amount of the Partnership the effect of which will be to reduce, for purposes of the Tax Act, the amount of the expenses paid with the borrowing by such unpaid principal amount. As a result, the Partnership will not be permitted to deduct any portion of the amount by which such expenses are reduced in computing its income in the year the expenses are incurred. As the principal amount of such borrowing is repaid, the expenditures will be deemed to have been incurred to the extent of the repayment, provided the repayment is not part of a series of loans or other indebtedness. Once the borrowing is repaid, such Offering expenses and Agent's fee (to the extent they are reasonable in amount) will be deductible as to 20% in the year of repayment, and as to 20% in each of the four subsequent years, pro-rated for short taxation years. The Partnership will not be entitled to deduct any amount in respect of such expenses in the fiscal year ending on its dissolution. After dissolution of the Partnership, Limited Partners will be entitled to deduct, at the same rate, their *pro rata* share of any such expenses that were not deductible by the Partnership. The adjusted cost base of a Limited Partner's Units will be reduced on dissolution of the Partnership by his or her share of such expenses. To the extent that they are reasonable, management fees and Performance Bonus (if any) payable to the Manager will be deductible in the year in which the services to which they relate are rendered. The Manager believes that the management fees and Performance Bonus (if any) payable to the Manager are reasonable within the meaning of the Tax Act.

To the extent that they are reasonable, other fees and amounts which are paid or payable by the Partnership and relate to the ongoing business thereof, including the Performance Bonus, investment fees and other amounts paid or payable to the Manager, will generally be deductible in the year incurred unless they constitute pre-payments for services to be rendered over a number of years, in which case they will be amortized over such extended period.

The costs associated with the organization of the Partnership are not fully deductible either by the Partnership or the Limited Partners. Organization expenses incurred by the Partnership are eligible capital expenditures, three-quarters of which may be deducted by the Partnership at the rate of 7% per year on a declining balance basis.

Proposed Loss Limitation Rule

On October 31, 2003, the federal Department of Finance released for public comment draft proposals (the "**Loss Limitation Rule**") regarding the deductibility of interest and other expenses for purposes of the Tax Act. Under the proposals, a taxpayer would be considered to have a loss from a source that is a business or property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit (excluding capital gains or losses) from the business or property during the period that the business is carried on or that the property is held. If these proposals had been enacted, Limited Partners would only be entitled to claim a loss from their investment in the Partnership in a particular taxation year, if, in the year the loss is claimed, it is reasonable to assume that an overall cumulative profit would be earned from the investment in the Partnership after taking into account any associated interest expense. Therefore, if enacted as proposed, subject to the administrative practice

developed by CRA, the Loss Limitation Rule would likely apply to limit the deduction of any loss of the Partnership realized and allocated to Limited Partners as a result of the deduction by the Partnership of expenses in its taxation year ending on December 31, 2010 and any subsequent taxation years. The Loss Limitation Rule should not affect the ability of a Limited Partner to deduct an amount in respect of the Limited Partner's available CCEE account against the Limited Partner's income in a year.

The Proposed Loss Limitation Rule has been the subject of a number of submissions to the Minister of Finance. On February 23, 2005, the Minister of Finance (Canada) tabled the 2005 federal budget. The budget papers provided that the Department of Finance has sought to respond to such submissions by developing "a more modest legislative initiative" that would respond to those concerns while still achieving the Government's objectives and that alternative proposals to replace the Proposed Loss Limitation Rule would be released for comment at an early opportunity. As of the date hereof, an alternative proposal has not yet been released. There can be no assurance that such alternative proposals will not adversely affect Limited Partners and if enacted, such proposals may differ significantly from those described herein.

Interest Expense on Money Borrowed to Acquire Partnership Units

Subject to the tax shelter investment rules in the Tax Act and the Proposed Loss Limitation Rule, a taxpayer may deduct, in computing such taxpayer's income, interest expense paid in a taxation year or payable in respect of a taxation year pursuant to a legal obligation to pay interest on borrowed money used for the purpose of earning income from business or property. Compound interest is deductible only when paid. Consequently, a Limited Partner should be entitled to deduct, in computing such Limited Partner's income a reasonable amount of interest in respect of money borrowed by such Limited Partner to acquire Units in the Partnership. Under certain circumstances and within prescribed limits, interest expense will continue to be deductible where a loss of the source of income connected to the borrowing occurs. Any loss realized by a Limited Partner in the 2010 taxation year or thereafter from the deduction of interest expense may be limited pursuant to the Tax Proposals discussed above under "Income Tax Considerations - Proposed Loss Limitation Rule". The Partnership Agreement requires that Limited Partners not finance the purchase of their Units with financing for which recourse is limited under the Tax Act. Limited Partners who propose to finance their purchase of Units should consult with their tax advisors.

Limitations on Deductibility of Expenses or Losses of the Partnership

Subject to the "at-risk" rules in the Tax Act, a Limited Partner's share of the non-capital losses of the Partnership for any fiscal year may be applied against such Limited Partner's income from any other source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three years and forward twenty years and applied against taxable income of such other years.

The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Partnership Agreement, any losses of the Partnership from a business or property allocated to a Limited Partner in respect of a fiscal year of the Partnership ending in a taxation year are deductible by such Limited Partner in computing such Limited Partner's income for the taxation year only to the extent that such Limited Partner's "at-risk amount" in respect of the Partnership at the end of the fiscal year exceeds, among other things, the Limited Partner's share of any CEE incurred by the Partnership in the fiscal year.

Generally, a Limited Partner's "at-risk amount" will be the amount actually paid for Units plus the amount of any Partnership income (including the full amount of any Partnership capital gains) allocated to such Limited Partner for completed fiscal periods, less the aggregate of amounts (including unpaid instalments) owing by the Limited Partner (or a person with whom the Limited Partner does not deal at arm's length) to the Partnership (or a person with whom the Partnership does not deal at arm's length), the amount of any CEE Eligible Expenditures previously renounced to the Limited Partner, the amount of any Partnership losses allocated to the Limited Partner and the amount of any distributions from the Partnership. A Limited Partner's "at-risk amount" may be further reduced by certain benefits that protect against a risk of loss from an investment in the Partnership.

A Limited Partner's share of any losses of the Partnership denied as a consequence of the application of the "at-risk" rule is considered to be a "limited partnership loss" of the Limited Partner in respect of the Partnership for the year. Such "limited partnership loss" may be deducted by the Limited Partner in any subsequent year against any income

for such subsequent year to the extent that, at the end of the last fiscal year of the Partnership ending in such subsequent year, the Limited Partner's "at-risk amount" in respect of the Partnership exceeds the Limited Partner's share of any loss of the Partnership for that fiscal year.

It is anticipated, based on the manner in which the Partnership will operate and be financed as indicated in this prospectus and on the assumption that recourse for any associated financing of the Subscription Price of the Units is not limited and is not deemed to be limited, the "at-risk" rules should generally not limit a Limited Partner's deduction of such Limited Partner's share of the Partnership losses or limit the share of CEE incurred by the Partnership which is allocated to such Limited Partner. For these purposes, the Tax Act provides that recourse for a financing is generally deemed to be limited unless:

(a) *bona fide* arrangements, evidenced in writing, are made, at the time the indebtedness arises, for repayment of the indebtedness and all interest thereon within a reasonable period not exceeding ten years; and

(b) interest is payable, at least annually, at a rate equal to or greater than the lesser of the prescribed rate of interest under the Tax Act in effect at the time the indebtedness arose, and the prescribed rate of interest applicable from time to time during the term of the indebtedness; and

(c) such interest is paid by the Limited Partner in respect of the indebtedness not later than 60 days after the end of each taxation year of the Limited Partner.

The Tax Act contains additional rules to restrict the deductibility of certain amounts by persons who acquire a "tax shelter investment" for purposes of the Tax Act. The Units have, as a precautionary measure, been registered with the CRA under the "tax shelter" registration rules. A "tax shelter investment" includes any property that is a "tax shelter". If any of the Units are in fact determined to be "tax shelters", all of the Units will be "tax shelter investments" for the purposes of the Tax Act. More particularly, if a Limited Partner has a "prescribed benefit" in respect of his or her Units (which includes the financing of the acquisition of Units with a financing for which recourse is or is deemed to be limited within the meaning of the Tax Act), all of the Units will be tax shelter investments and the CEE and other expenses incurred by the Partnership will be reduced by any limited recourse amounts and "at-risk-adjustments" in respect of such expenditures.

An at-risk adjustment in respect of an expenditure includes any amount or benefit that a particular taxpayer, or taxpayer not dealing at arm's length with that taxpayer, is entitled either immediately or in the future and either absolutely or contingently to receive or obtain whether by way of reimbursement, compensation, revenue guarantee, proceeds of disposition, loan or other form of indebtedness, or in any other form or manner whatever granted to or to be granted for the purpose of reducing the impact in whole or in part of any loss that the particular taxpayer may sustain in respect of the expenditure.

As noted above the indebtedness of the Partnership under the Loan Facility will constitute a limited recourse amount and it is therefore anticipated that any expenditures traceable to the Loan Facility proceeds will not be deductible to the extent of the limited recourse amount. The CRA could attempt to attribute such limited recourse indebtedness to reduce CEE renounced to the Partnership and allocated to the Limited Partners. As the principal amount of such borrowing is repaid, the expenditures will be deemed to have been incurred to the extent of the repayment, provided the repayment in part of a series of loans or other indebtedness.

If a Limited Partner finances the acquisition of Units with a financing for which recourse is or is deemed to be limited for purposes of the Tax Act, the CEE or other expenses incurred by the Partnership and the Limited Partner's "at-risk" amount may be reduced by the amount of such financing. The Partnership Agreement provides that where CEE of the Partnership is so reduced the amount of CEE that would otherwise be allocated to the Limited Partner who incurs the limited recourse financing will be reduced by the amount of the reduction. Where the reduction of other expenses reduces the loss of the Partnership, the Partnership Agreement provides that such reduction will first reduce the amount of the loss that would otherwise be allocated to the Limited Partner who incurs the limited recourse financing. **Prospective purchasers who propose to finance the acquisition of their Units should consult with their financial or tax advisors.**

Federal Investment Tax Credit

A taxpayer who is an individual (other than a trust) and is a Limited Partner at the end of a fiscal year of a Partnership may, in computing such taxpayer's federal tax payable for the taxation year in which the fiscal year of the Partnership ends, be entitled to claim an investment tax credit of 15% of "flow-through mining expenditures" as defined in the Tax Act. "Flow-through mining expenditures" are generally CEE related to certain "grass roots" mining exploration expenses incurred and renounced in favour of the Partnership pursuant to a Share Purchase Agreement entered into before or on March 31, 2011. Such expenses must be incurred, or deemed to have been incurred, by a Mining Company before January 1, 2012. It cannot be assured that any expenses will qualify for the ITC.

The non-refundable ITC of 15% reduces federal tax otherwise payable by the individual. The individual taxpayer's CCEE at any time in a taxation year is reduced by the amount of the investment tax credit claimed for a preceding year. Any negative balance of the CCEE of the individual at the end of a taxation year, resulting from the reduction of the CCEE by the investment tax credit, is included in the individual's taxable income for that year.

Income Tax Withholdings and Installments

Limited Partners who are employees and are required to have income tax withheld at source from their employment income by their employer may prepare a submission to the appropriate tax services office of CRA requesting a reduction in such withholding at source by their employer, which request may be granted at the discretion of CRA. In this way, Limited Partners may be able to obtain the tax benefits of the investment during the remainder of 2010 after the applicable Closing.

Limited Partners who are required to pay income tax on an instalment basis may in certain circumstances take into account their share, subject to the "at-risk" rules and "tax shelter investment" rules, of CEE and any income or loss of the Partnership in determining their instalment remittances.

Disposition of Units in the Partnership

The cost to a Limited Partner of such Limited Partner's Units will be the Subscription Price for such Units plus any reasonable costs of acquisition. Subject to adjustments required under the Tax Act, the adjusted cost base to a Limited Partner of such Limited Partner's Units will be the cost to such Limited Partner of those Units less the amount of any financing related to the acquisition of such Units for which recourse is or is deemed to be limited for purposes of the Tax Act. The adjusted cost base of such Limited Partner's Units at any time will be reduced by such Limited Partner's share of CEE and any losses of the Partnership allocated to him, her, or it for fiscal periods ending before that time (in each case after taking into account the "at-risk" rules) and by amounts distributed to such Limited Partner before such time. The adjusted cost base of a Limited Partner's Units at any time will be increased by any income of the Partnership allocated to such Limited Partner in respect of such Units, including the full amount of any capital gain realized by the Partnership on a disposition of Flow-Through Shares or other securities, if any, of Mining Companies, for fiscal periods ending before that time.

If a Limited Partner's adjusted cost base of such Limited Partner's Units is negative at the end of a fiscal period of the Partnership, the amount by which it is negative will be deemed to be a capital gain realized by the Limited Partner at that time and the Limited Partner's adjusted cost base of such Units will be increased by the amount of the deemed gain.

Where a Limited Partner disposes of a Unit, including on the dissolution of the Partnership, such Limited Partner will realize a capital gain (or capital loss) to the extent that such Limited Partner's proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) such Limited Partner's adjusted cost base for such Unit. One-half of a Limited Partner's capital gain will be a taxable capital gain and must be included in income and one-half of any capital loss will be an allowable capital loss. A Limited Partner will be entitled to deduct against such taxable capital gain any allowable capital losses for the year. Unused allowable capital losses may be carried back three years and forward indefinitely in accordance with the detailed rules of the Tax Act.

Where a Limited Partner is a corporation that is a "Canadian-controlled private corporation" throughout the year for the purposes of the Tax Act, such Limited Partner may be liable to pay an additional refundable tax of 6-2/3% on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

As described below, a capital gain may not be realized on a dissolution involving a distribution of undivided interests of each asset of the Partnership.

A Limited Partner who is considering a disposition of Units during a fiscal period of the Partnership should obtain tax advice before doing so, since ceasing to be a Limited Partner before the end of the Partnership's fiscal period may affect certain adjustments to his or her cost base and his or her entitlement to a share of the Partnership's income or loss and CEE incurred in such year.

Specified Investment Flow-Through Entities

The Tax Act taxes certain publicly-traded income trusts and partnerships ("**SIFT Rules**") at rates of tax comparable to the combined federal and provincial corporate tax. Units of the Partnership will not be listed or traded on an exchange and provided that there is no trading system or other organized facility on which the Units of the Partnership are listed or traded, the SIFT Rules should not apply to the Partnership. If the SIFT Rules were to apply to the Partnership, the tax consequences to the Partnership and Limited Partners would be materially, and in some cases, adversely different.

Alternative Dissolution of the Partnership

The Partnership Agreement provides that the Partnership may be dissolved and its assets dealt with in one of two ways: a distribution of undivided interests in each asset of the Partnership or a sale of substantially all of the assets of the Partnership followed by a distribution of cash and any remaining assets.

Distribution of Undivided Interests in each Asset

Under this method of dissolution, the Partnership will be dissolved and each Partner will acquire an undivided interest in each asset of the Partnership, including shares of Mining Companies (including Flow-Through Shares) owned by the Partnership. It is assumed that each share will thereafter be partitioned and each Partner will be allocated a *pro rata* share of each asset.

On dissolution of the Partnership in this manner, if appropriate income tax elections are filed and certain conditions are met, each Limited Partner will be deemed to have disposed of such Limited Partner's Units for proceeds of disposition equal to the greater of the adjusted cost base thereof and the amount of any money received by him or her plus his or her share of the cost amount to the Partnership of the property distributed. Such Limited Partner will receive his or her share of the assets of the Partnership. The cost to a Limited Partner of such Limited Partner's undivided interest in a share will generally be such Limited Partner's *pro rata* share of the cost to the Partnership of that share. It is the CRA's administrative position that shares so distributed may be partitioned on a tax-deferred basis provided that the shares may be partitioned under the relevant law.

Assuming that no shares of Mining Companies other than Flow-Through Shares are acquired by the Partnership, that no assets, other than cash, are distributed to the Limited Partners prior to the dissolution of the Partnership, and that the partition of each Flow-Through Share may be effected on a tax-deferred basis, the dissolution of the Partnership will generally result in the Limited Partners who acquired their Units pursuant to this Offering and who hold such Units as at the date of the dissolution of the Partnership acquiring Flow-Through Shares at a nil cost. Consequently, a subsequent disposition of Flow-Through Shares by such a Limited Partner will result in the Limited Partner realizing substantially the whole of the proceeds of disposition as a capital gain.

Sale of Assets and Distribution of Cash

Under this method of dissolution, the Partnership will take steps to sell substantially all of its assets and then distribute to Partners cash and any remaining assets.

Any gain or loss realized by the Partnership on the disposition of its assets (including gain on the sale of Flow-Through Shares) will be reflected in the income or loss of the Partnership in its final fiscal period and, subject to the detailed rules in the Tax Act, each Limited Partner will be required to include or be entitled to deduct such Limited Partner's share of the Partnership's income or loss for its final fiscal period in the taxation year in which the dissolution occurs. A Limited Partner's share of the Partnership's income or loss for its final fiscal period will also be reflected in adjustments to the adjusted cost base of the Limited Partner's Units.

On dissolution of the Partnership in this manner, a Limited Partner will be considered to have disposed of such Limited Partner's Units for proceeds of disposition equal to the amount of cash and the value of any assets the Limited Partner receives on the dissolution.

Alternative Minimum Tax

The Tax Act requires that individuals (including certain trusts) compute an alternative minimum tax determined by reference to the amount by which the taxpayer's "adjusted taxable income" for the year exceeds such taxpayer's basic exemption which, in the case of an individual (other than certain trusts), is $40,000. In computing adjusted taxable income, a taxpayer must include, among other things, all taxable dividends (without application of the gross up), and 80% of net capital gains; and various deductions and credits may be denied including amounts in respect of CEE and any losses of the Partnership. A federal tax rate of 15% for 2010 and beyond is applied to the amount subject to the alternative minimum tax from which the individual's "basic minimum tax credit for the year" is deducted. Included in the basic minimum tax credit are certain specified personal and other credits available to an individual for the purposes of the Tax Act as deductions from tax payable for the year. Generally, if the minimum tax so calculated exceeds the tax otherwise payable for the purposes of the Tax Act, the minimum tax will be payable. Whether and to what extent the tax liability of a particular Limited Partner will be increased as a result of the application of the alternative minimum tax rules will depend on the amount of such Limited Partner's income, the sources from which it is derived, and the nature and amount of any deductions such Limited Partner claims. Any additional tax payable by an individual as a result of the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be the tax otherwise payable for such year to the extent that the tax otherwise determined exceeds the minimum tax amount in those subsequent years.

Subscribers are urged to consult their tax advisors to determine the impact of the alternative minimum tax.

Tax Shelter Identification Numbers

The federal tax shelter identification number in respect of the Partnership is TS077248. The identification number issued for this tax shelter is to be included in any income tax return filed by the investor (i.e., Limited Partner). Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter. The Québec tax shelter identification number in respect of the Partnership is QAF-10-01389.

The Manager will file all necessary tax shelter information returns and, where applicable, provide each Limited Partner with copies thereof.

Certain Québec Tax Considerations

In the opinion of Lavery, de Billy, L.L.P., counsel to the Partnership and the Manager, the following is a summary of certain tax considerations specific to Québec based on the current provisions of the *Taxation Act* (Québec), the regulations thereunder (the "Regulations") and Lavery, de Billy, L.L.P.'s understanding of the current published administrative practices of Revenue Québec. This summary also takes into account proposals for specific amendments to the *Taxation Act* (Québec), and Regulations publicly announced by the Minister of Finance (Québec) prior to the date hereof (collectively, the "**Proposed Legislation**"). This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decisions or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Proposed Legislation will be enacted in the form proposed, if at all.

Certain of the deductions described below may be available to Limited Partners resident in Québec if a Mining Company makes them available to the Partnership. However, no assurance can be given that a Mining Company will make such additional deductions available to the Partnership.

The Province of Québec allows for a special tax deduction of up to 150% of certain eligible exploration expenses incurred by a qualifying entity for exploration carried out in the Province of Québec. In addition to a base deduction of 100% for CEE, an individual resident in the Province of Québec may be entitled to an additional deduction of 25% in respect of certain exploration expenses incurred in the Province of Québec by a qualified corporation. Such a resident may also be entitled to a supplementary deduction of 25% in respect of certain surface mining exploration expenses incurred in the Province of Québec by a qualified corporation. Accordingly, an individual resident in the Province of Québec who is a Limited Partner at the end of the applicable fiscal year of the Partnership may be entitled to deduct up to 150% of certain eligible exploration expenses incurred in the Province of Québec by a qualified corporation and renounced by it in favor of the Partnership. In computing income for Québec tax purposes, a Québec Limited Partner which is a corporation may be entitled to deduct an additional amount equal to 25% of certain CEE incurred in the "northern exploration zone" in the Province of Québec by a qualified corporation. Accordingly, provided applicable conditions under the *Taxation Act* (Québec) are satisfied, a Québec Limited Partner which is a corporation may be entitled to deduct up to 125% of certain CEE incurred in the northern exploration zone in the Province of Québec and renounced to the Partnership by a Mining Company which is a qualified corporation.

Furthermore, provided that certain conditions are fulfilled, the *Taxation Act* (Québec) provides for a mechanism to exempt part of the taxable capital gain realized by or attributable to an individual upon the sale of Flow-Through Shares. This exemption is based on an historical expenditures account comprising one-half of the CEE incurred in the Province of Québec that gives rise to the additional 25% deduction for Québec tax purposes. Upon the sale of the Flow-Through Shares, the individual may claim a deduction in computing his or her income in respect of a portion of the taxable capital gain realized (which is attributable to the excess of the price paid to acquire the Flow-Through Shares over their deemed cost of nil). In general, the amount of the deduction may not exceed the lesser of (i) such portion of the taxable capital gain realized and (ii) the account balance, subject to certain other limits provided under the *Taxation Act* (Québec). Any amount thus used from the account will reduce the account balance, while any new deduction of CEE incurred in the Province of Québec will increase it. The portion of the taxable capital gain represented by the increase in value of the Flow-Through Shares over the price paid to acquire the Flow-Through Shares will continue to be taxable and the amount accrued in the account may not reduce this gain. Note that each partner of the Partnership will be entitled to benefit from the exemption up to an amount that may reasonably be considered to be the individual's share of the above-mentioned portion of the taxable capital gain.

The *Taxation Act* (Québec) provides that where an individual taxpayer (including a personal trust) incurs in a given taxation year "investment expenses" to earn "investment income" in excess of the investment income earned for that year, such excess shall be included in the taxpayer's income, resulting in an offset of the deduction for such portion of these investment expenses. For these purposes, investment expenses include certain deductible interest and losses of an individual (including a personal trust) Limited Partner resident in Québec and 50% of CEE renounced to the Partnership and allocated to and deducted for Québec tax purposes by such Limited Partner (other than CEE incurred in Québec), and investment income includes taxable capital gains not eligible for the capital gains exemption. Such 50% of CEE renounced to the Partnership and allocated to and deducted for Québec tax purposes by such Limited Partner (other than CEE incurred in Québec) will be included in the Limited Partner's income for Québec tax purposes only if such Limited Partner resident in Québec has insufficient investment income to offset such inclusion. Investment expenses which have been included in the taxpayer's income in a given taxation year may be deducted against net investment income earned in any of the three previous taxation years and any subsequent taxation year.

An individual's CCEE for Québec tax purposes does not need to be reduced by the amount of the ITC claimed for a prior year.

An alternative minimum tax also exists under the *Taxation Act* (Québec) under which a basic exemption of $40,000 is available and the net capital gain inclusion rate is 75%. The Québec alternative minimum tax rate is 16%.

Each Québec Limited Partner should obtain advice from a professional tax advisor regarding the potential Québec tax considerations of investing in Units.

ORGANIZATION AND MANAGEMENT DETAILS OF THE PARTNERSHIP

The Partnership

The Partnership is a limited partnership formed on July 8, 2010 under the laws of the Province of Québec in accordance with the *Civil Code of Québec*. The General Partner of the Partnership is Northern Precious Metals 2010 Inc. and the initial Limited Partner is 148366 Canada Inc. The head office and principal place of business of the Partnership and of the General Partner is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec H3B 4M4.

A Subscriber for Units whose subscription is accepted will become a Limited Partner on Closing. On the Closing, the outstanding Units will represent all of the interests of the Limited Partners in the Partnership excluding the interest of the initial Limited Partner which will be purchased by the Partnership for cancellation at the Closing for nominal consideration. Each Limited Partner's interest in the Partnership will be represented by the proportion of Units held by such Limited Partner to the total number of Units outstanding at the time. See "Details of the Partnership Agreement – Units" for a description of the Units.

The General Partner

The General Partner was incorporated under the *Canada Business Corporations Act* on June 18, 2010. The head office and principal place of business of the General Partner is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec H3B 4M4. The General Partner has no significant financial resources or assets.

Subject to the terms of the Management Agreement, the General Partner is responsible for the management of the on-going business and administrative affairs of the Partnership in accordance with the Partnership Agreement.

The General Partner will be entitled to 0.01% of the net income of the Partnership. Expenses incurred by the General Partner and/or the Manager in the performance of their duties on behalf of the Partnership, including professional fees, will be reimbursed by the Partnership. See "Organization and Management Details of the Partnership - Details of the Partnership Agreement".

Directors and Officers of the General Partner

The names, municipalities of residence, offices or positions held with the General Partner and principal occupations of the directors and officers of the General Partner are listed below.

Name and Municipality of Residence	Office or Position	Principal Occupation
Jean-Guy Masse Montreal, Québec	President, Chief Executive Officer & Director	President, Northern Precious Metals Management Inc.
Marcel Bergeron, C.A. Montreal, Québec	Chief Financial Officer & Director	Financial Consultant
John T. Postle Oakville, Ontario	Director	Consulting Mining Engineer Roscoe Postle Associates Inc. (geological and mining consultants)

Jean-Guy Masse

Mr. Masse, the President and Chief Executive Officer of the General Partner and the Manager, is a mining engineer (*École Polytechnique de Montréal*) and holds a Master's degree in Mining Administration (Stanford University, California). He is a Chartered Financial Analyst (CFA) and has more than 30 years of financing experience in the Canadian mining industry and Mr. Masse was a founder of the Previous Northern Partnerships.

Mr. Masse is also the President of the general partners of Northern 2006, Northern 2007, Northern 2007-II and Northern 2009, which have or had substantially the same investment concept as the Partnership.

From 1999 to 2002, he was Chairman of the Board and Chief Financial Officer of Metco Resources Inc., a mining exploration company specialized in exploration for base metals. From 1993 to 1998, he served as President of Orleans Resources, an industrial mineral company. Since 1992, he has been the President of Masvil Capital Inc., an investment management firm specialized in the investment and financing of emerging natural resource companies.

From 1985 to 1992, Mr. Masse was President of CMP Funds Management Ltd., the general partner of 14 limited partnerships which raised more than $1.2 billion for investment in Canadian natural resource companies. During that same period, Mr. Masse was Executive Vice-President of the parent company, Dundee Bancorp Inc., and Vice-President of its mutual funds subsidiary, Dynamic Funds Ltd.

Mr. Masse is a director of Strateco Resources Inc., a company listed on the TSX Exchange, and a director of several private companies.

Mr. Masse will devote his full time to the business and affairs of the Partnership and other related entities; the other directors will devote as much time as is necessary for the management of the business and affairs of the Partnership and the Manager.

Marcel Bergeron

Mr. Bergeron is the Chief Financial Officer and a director of the General Partner and the Manager. He is a senior manager with extensive experience as a Chartered Accountant in private practice providing professional services as a member of a Consulting Accounting firm and was a senior executive of a leading commercial real estate development company over the last three years. From 1978 to 2006, Mr. Bergeron was an accountant and partner at Petrie Raymond, L.L.P., Chartered Accountants. Mr. Bergeron was a director of MDN Inc. until 2008 and a director of Fairstar Explorations Inc. until 2005. Mr. Bergeron is presently director of Strateco Resources Inc., a company listed on the TSX Exchange. Mr. Bergeron holds a Bachelor's Degree in Accounting (University of Québec at Montreal) and has been a member of the Québec Order of Chartered Accountants since 1983 and a member of the Québec Order of Certified Management Accountants since 1981.

John T. Postle

Mr. Postle is a director of the General Partner and the Manager and is a member of the Investment Committee of the Manager. He is a mining engineer (University of British Columbia) and holds a Master's degree in Earth Sciences (Stanford University, California) and has more than 30 years of experience in the mining industry. He has been a consulting mining engineer with Roscoe Postle Associates Inc. since its founding in 1985 and was a principal thereof until 2002. Mr. Postle is a past chairman of the Mineral Economics Committee of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). He is currently Co-Chairman of a CIM Standing Committee on Ore Reserve Definitions.

The term of each director and officer expires at the next annual general meeting of the General Partner, unless re-elected or reappointed at such meeting. The General Partner does not have an executive committee or audit committee.

Details of the Partnership Agreement

A number of the functions attributed to the General Partner herein shall be attended to by the Manager, pursuant to the Management Agreement.

The following is a summary of the Partnership Agreement which is incorporated herein by reference. The Partnership Agreement is available (i) at the offices of the Manager; and (ii) on the Northern Precious Metals Funds website at http://www.npmfunds.com and (iii) under the Partnership's profile on SEDAR at www.sedar.com.

The rights and obligations of the Limited Partners are governed by the Partnership Agreement, the *Civil Code of Québec* and applicable legislation in the jurisdictions in which the Partnership carries on business. The statements in this prospectus concerning the Partnership Agreement summarize only some of its provisions and do not purport to be complete. Reference should be made to the Partnership Agreement for the complete details of these and the other provisions therein. See "Material Contracts". A number of the functions of the General Partner hereinafter described have been transferred to the Manager pursuant to the Management Agreement.

Business

The business of the Partnership is to enter into Share Purchase Agreements with Mining Companies in order to acquire Flow-Through Shares and other securities, if any, of Mining Companies under which agreements such companies will agree to issue Flow-Through Shares or other securities, if any, to the Partnership, incur CEE in carrying out exploration in Canada and renounce the CEE to the Partnership. Excess cash of the Partnership will be invested in High-Quality Money Market Instruments. The Partnership Agreement provides that neither the General Partner nor any of its affiliates is required to offer any investment opportunity to the Partnership, subject to their duties to the Partnership, as described under "Conflicts of Interest".

Units

Every Subscriber whose subscription is accepted by the General Partner, at the applicable Closing, becomes a party to the Partnership Agreement. The General Partner reserves the right to reject subscriptions at its discretion including subscriptions by a "non-Canadian" within the meaning of the *Investment Canada Act* or by a "non-resident" of Canada or a "financial institution" within the meaning of the Tax Act. No fractional Units will be issued.

The interests of the Limited Partners will be divided into and represented by an unlimited number of Units. Each Unit entitles the holder thereof to the same rights and subjects such holder to the same obligations as the holder of any other Unit and no Limited Partner is entitled to any privilege, priority or preference in relation to any other Limited Partner. The Manager does not intend to issue Units other than as qualified by this prospectus.

A Subscriber who subscribes for Units, subject to the terms of the Partnership Agreement, among other things:

(a) irrevocably authorizes the Agent who is responsible for such subscription to provide certain information to the General Partner, including such Subscriber's full name, residential address or address for service, social insurance number or the corporation account number, as the case may be, and the name and registered representative number of the representative of the securities dealer responsible for such subscription and covenants to provide such information to the Agent;

(b) acknowledges that he, she or it is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner;

(c) makes the representations and warranties set out or deemed to be set out therein, including without limitation, representations and warranties that he, she or it:

  (i) is not a "non-resident" for the purposes of the Tax Act or an entity an interest in which is a "tax shelter investment" for purposes of the Tax Act or a "non-Canadian" within the meaning of the *Investment Canada Act*;

  (ii) is not a partnership, or, in the case that it is a partnership, it is a "Canadian partnership" for purposes of the Tax Act;

  (iii) has not financed the acquisition of the Units with borrowings for which recourse is, or deemed to be, limited for purposes of the Tax Act;

  (iv) is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act unless such prospective purchaser has provided written notice to the contrary to the Partnership prior to the date of acceptance of the prospective purchaser's subscription for Units; and

(v) will maintain the status set out in (i), (ii), (iii) and (iv) above during such time as the Units are held;

(d) irrevocably nominates, constitutes and appoints the General Partner as his true and lawful attorney with the full power and authority as set out in the Partnership Agreement;

(e) irrevocably authorizes, if applicable, the Manager to file on behalf of the Subscriber all elections deemed necessary or desirable by the Manager to be filed under the Tax Act and any other applicable tax legislation in respect of the dissolution of the Partnership; and

(f) covenants and agrees that all documents executed and other actions taken on behalf of the Limited Partners pursuant to the power of attorney set out in the Partnership Agreement will be binding upon such Subscriber, and each Subscriber agrees to ratify any of such documents or actions upon request by the General Partner.

Management

The Partnership Agreement grants the General Partner full power and authority to administer, manage, control and operate the business of the Partnership and to hold title to the property of the Partnership. The General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and to exercise the care, diligence and skill of a prudent and qualified person. The authority and power vested in the General Partner to manage the business and affairs of the Partnership is broad and includes all authority necessary or incidental to carry out the objects, purposes and business of the Partnership. The General Partner may contract for goods or services for the Partnership with affiliates of the General Partner, provided that the cost of such goods or services is reasonable and competitive with the cost of similar goods or services provided by an independent third party. Pursuant to the Partnership Agreement and the Management Agreement, the General Partner has delegated a substantial portion of its power and authority to the Manager. The Partnership has entered into an agreement with the Manager pursuant to which the Manager will manage the business, operations and affairs of the Partnership and as portfolio advisor to the Partnership in order to select potential investments, advise the Partnership and manage the Partnership's portfolio. The Manager will also have the responsibility for negotiation of Share Purchase Agreements and, subject to the criteria described under "Investment Objectives" and "Investment Strategies", select the Mining Companies that will enter into Share Purchase Agreement with the Partnership. The Manager also provides similar services to other limited partnerships.

The General Partner has an undivided 0.01% interest in the Partnership. The General Partner and the Manager are entitled to be reimbursed by the Partnership for operating and administrative expenses incurred on behalf of the Partnership. In consideration of the services rendered to the Partnership, the Manager will be entitled, during the period commencing on the Closing Date and ending on the date of the transfer of the assets of the Partnership to the Limited Partners, to a monthly management fee equal to 1/6 of 1% of the Net Asset Value calculated and paid monthly in arrears in cash (and pro-rated in respect of any partial month, if applicable). The Manager will also be entitled, if earned, to the Performance Bonus.

A Limited Partner will not be permitted to take an active part in, or take part in the control of, the business of the Partnership.

The General Partner is accountable to the Partnership as a fiduciary and consequently must exercise good faith and integrity in managing the business of the Partnership and the utmost fairness towards the Limited Partners. The General Partner is required to act in the best interests of all Limited Partners. The Partnership Agreement provides that the General Partner will not be liable for damages to the Limited Partners arising out of any act, omission or error in judgment, other than an act, omission or error of judgment which results from the General Partner's failure to act honestly, in good faith and in the best interests of the Limited Partners or which results in a loss of limited liability or otherwise exposes the Limited Partners to unlimited liability, provided that such loss of limited liability was not caused by an act or omission of the General Partner or by the negligence or misconduct in the performance of, or disregard or breach of, the obligations or duties of the General Partner under the Partnership Agreement. Such indemnity will apply with respect to losses in excess of the agreed capital contribution of the Limited Partner.

Term

The Partnership will be dissolved upon the earliest of:

(a) the approval of such dissolution by the Manager or the authorization of such dissolution by an Extraordinary Resolution;

(b) a date determined by the Manager in the fiscal period in which, and within 60 days after the date on which, all the assets of the Partnership that are eligible for transfer under subsection 85(2) of the Tax Act are distributed to the Limited Partners;

(c) 180 days after the bankruptcy or dissolution of the Manager, unless within that 180 day period a new Manager is admitted to the Partnership; and

(d) a date that is within 60 days of December 31, 2011.

Capital Contributions

Each Limited Partner will be required to contribute to the capital of the Partnership $1,000 for each Unit purchased, with a minimum subscription of $5,000. There is no restriction on the maximum number of Units that may be held by one Limited Partner. The General Partner may, in its discretion, refuse to accept a subscription for a Unit, including a subscription made by a person it believes to be a "non-Canadian" as defined in the *Investment Canada Act* or a "non-resident" or a "financial institution" as defined for the purposes of the Tax Act. A Subscriber will become a Limited Partner at the applicable Closing by acceptance of the subscription by the General Partner and entry of the Subscriber's name on the Register.

Limited Partners

A person who subscribes for or purchases a Unit does not become a Limited Partner and is not entitled to any of the rights of a Limited Partner or to share in any allocations or to share in distributions until the name of that person is entered on the Register. The Manager has agreed to cause the Register to be amended from time to time as required to reflect the admission of additional and substituted Limited Partners to the Partnership.

Representations and Warranties of Limited Partners

As a party to the Partnership Agreement, each Limited Partner represents and warrants to and covenants with each other Partner that:

(a) if an individual, such individual has attained the age of majority and has the capacity and competence to enter into and be bound by the Partnership Agreement and will provide such evidence thereof as the General Partner may reasonably require;

(b) if a corporation, it has the capacity to enter into and be bound by the Partnership Agreement, all necessary approvals by its directors, shareholders and members, or otherwise, have been given to authorize it to enter into and be bound by the Partnership Agreement and it will provide such evidence thereof as the General Partner may reasonably require;

(c) such Limited Partner, or any other beneficial owner of the Units registered in his, her or its name, is not a "non-Canadian", as that expression is defined in the *Investment Canada Act*, and is not a "non-resident" of Canada for purposes of the Tax Act;

(d) such Limited Partner has not financed the purchase of Units with a financing for which recourse is or is deemed to be limited within the meaning of the Tax Act; and

(e) such Limited Partner will ensure that the status as described above will not be modified and such Limited Partner will not transfer Units in whole or in part to any person who would be unable to make such representations and warranties.

Allocation of Income and Loss

Income and loss of the Partnership (including capital gains and losses) for income tax purposes for a fiscal year are ordinarily allocated 0.01% to the General Partner and 99.99% *pro rata* among the Limited Partners of record on December 31 of such year in accordance with the number of Units held. Income of the Partnership will be allocated first to the General Partner to the extent of any additional payment to the General Partner at the date of dissolution of the Partnership, second to the General Partner to the extent that it has been previously allocated losses and third, 0.01% to the General Partner and 99.99% *pro rata* among the Limited Partners in accordance with the number of Units held. Cumulative losses per Unit will not be allocated to Limited Partners in excess of the "at-risk amount" per Unit, as determined in accordance with the Tax Act, less the proportionate share of CEE in respect of that Unit. To the extent that this limitation prevents losses from being allocated to the Limited Partners of the Partnership, they will be allocated to the Manager.

Allocation of CEE

The Partnership will allocate all CEE renounced to it by Mining Companies with an Effective Date in 2010 *pro rata* to the Limited Partners of record on December 31, 2010.

Distributions

Subject to repayment of the Loan Facility, or before April 30, 2011, the General Partner expects to make distributions to Limited Partners of record on December 31, 2010 of an amount per Unit determined by the General Partner that is approximately equal to 50% of the amount estimated by the General Partner that a typical Limited Partner will be required to include in such Limited Partner's income for tax purposes in respect of each Unit held, after taking into account amounts previously distributed and deductions available for tax purposes to individuals arising from owning Units in the Partnership. Such distributions will not be made in the event that unforeseen circumstances arise (as determined by the General Partner in its sole discretion) such that it would be disadvantageous for the Partnership to make such distributions (including, but not limited to, a lack of available cash). Cash, if any, will be generated from interest on High-Quality Money Market Instruments, dividends received on Flow-Through Shares, if any, and other securities, if any, of Mining Companies purchased by the Partnership and the net proceeds of the sale, if any, of Flow-Through Shares and other securities, if any, of Mining Companies.

The Partnership expects to reserve for distribution on dissolution an amount per Unit determined by the Manager that is not less than 50% of the amount estimated by the Manager that a typical Limited Partner will be required to include in such Limited Partner's income for tax purposes in respect of each Unit held, after taking into account deductions available for tax purposes arising from owning Units in the Partnership. Such distributions will not be made in the event that unforeseen circumstances arise (as determined by the Manager in its sole discretion) such that it would be disadvantageous to the Partnership to make such distributions.

A Limited Partner remains liable for any portion of the purchase price for the Units returned by the Partnership to such Limited Partner, with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such amount was returned. See "Risk Factors".

Limited Recourse Financings

Under the Tax Act, if a Limited Partner finances the acquisition of Units with a financing for which recourse is or is deemed to be limited for purposes of the Tax Act, the CEE or other expenses incurred by the Partnership may be reduced by the amount of such financing. The Partnership Agreement provides that, where CEE of the Partnership or other expenses incurred by the Partnership are so reduced, the amount of CEE or other deductions that would otherwise be allocated to the Limited Partner who incurs the limited recourse financing is to be reduced by the amount of the reduction. Where the reduction of other expenses reduces the loss of the Partnership, the Partnership Agreement provides that such reduction will first reduce the amount of the loss that would otherwise be allocated to

the Limited Partner who incurs the limited recourse financing. See "Income Tax Considerations - Limitations on Deductibility of Expenses or Losses of the Partnership".

Limited Liability of Limited Partners

The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership to the extent that they exceed the assets of the Partnership. **The General Partner has no significant financial resources or assets.** Subject to the laws of the jurisdictions in which the Partnership may carry on business, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership is limited to the amount of the Subscription Price for each Limited Partner, any undistributed income and any portion of the Subscription Price returned by the Partnership with interest.

Limitation of the liability of a Limited Partner will be lost by a Limited Partner who takes an active part in the business of the Partnership or who takes part in the control of the business of the Partnership or in circumstances where a false statement has been made in a Partnership declaration and a person, in reliance upon that statement, has suffered injury or loss by reason of the false statement or who becomes aware that the Register contains a false or misleading statement and fails within a reasonable period of time to take steps to cause the Register to be corrected. In certain jurisdictions in Canada, Limited Partners may also lose the protection of limited liability if the Partnership carries on business in a province or territory of Canada which does not recognize the limitation of liability conferred under the *Civil Code of Québec*. The principles of law in the various jurisdictions of Canada recognizing the limited liability of limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province or territory have not been authoritatively established. To the extent permitted, the Partnership will be registered in each jurisdiction in which it anticipates it will carry on business. In order to protect the Partnership's assets and to preserve the limited liability of the Limited Partners with respect to activities of the Partnership carried on in certain provinces and territories where limited liability may not be recognized, the General Partner will indemnify the Limited Partners from any loss, liability or expense suffered or incurred by a Limited Partner by reason that liability of the Limited Partner is not limited. However, the General Partner has limited financial resources which may affect its ability to actually indemnify Limited Partners. See "Risk Factors".

Meetings

See "Securityholders Matters - Meetings". A number of the functions attributed to the General Partner herein shall be attended to by the Manager, pursuant to the Management Agreement.

Powers of Attorney

The acceptance by the General Partner of a Subscriber's offer to purchase Units, whether in whole or in part, constitutes a subscription agreement between the Subscriber and the Partnership upon the terms and conditions set out in this prospectus and the Partnership Agreement. Such subscription agreement shall be evidenced by the delivery of this prospectus to the Subscriber, provided that the subscription has been accepted by the General Partner on behalf of the Partnership. See "How to Subscribe for Units". The subscription agreement and the Partnership Agreement include an irrevocable power of attorney authorizing the General Partner on behalf of the holder of the Unit both before and after the dissolution of the Partnership to execute, under seal or otherwise, any instrument, deed or document required in carrying on the business of the Partnership as authorized by the Partnership Agreement, to attend to certain formalities required to record changes in the ownership of Units and amendments to the Partnership Agreement, and to maintain the good standing of the Partnership. The power of attorney also authorizes the General Partner to make elections or designations under tax statutes. By subscribing for Units, each Subscriber acknowledges and agrees that such Subscriber has given such power of attorney and will ratify any and all actions taken by the General Partner pursuant to such power of attorney.

Transfer of Units

Units may be assigned by each of the holder and the assignee executing and delivering to the registrar and transfer agent of the Partnership an assignment and power of attorney, substantially in the form annexed to the Partnership Agreement as Schedule B. The assignee will not become a Limited Partner until the assignee's name is entered on

the Register. The assignor of a Unit remains liable to repay any portion of the purchase price for the Units returned by the Partnership, with interest.

There is no restriction on the transfer of Units except that it is subject to approval by the General Partner and the General Partner will refuse to record an assignment to an assignee whom the General Partner believes to be a "non-Canadian", as that expression is defined in the *Investment Canada Act* (Canada), a "non-resident" for the purposes of the Tax Act, a partnership that is not a "Canadian partnership" for the purposes of the Tax Act, or an assignment to an assignee that is a "financial institution" for the purposes of the Tax Act if the General Partner becomes aware that the beneficial owners of 45% or more of the Units then outstanding are, or may be, "financial institutions" for the purposes of the Tax Act, or following such assignment, the Partnership would be a "financial institution". As most of the tax advantages that would ordinarily flow through to Limited Partners are expected to be realized for the 2010 taxation year and, to realize such tax advantages the person must be a Limited Partner as of December 31, 2010, an assignee of Units after December 31, 2010 is not expected to realize such tax advantages.

Redemption or Sale of Units of Non-Qualified Holders

The General Partner may require those Limited Partners who become non-residents of Canada for the purposes of the Tax Act or who are otherwise in contravention with the Partnership Agreement (relating to the status of Limited Partners) to sell their Units to qualifying purchasers within a specified period of not less than five days. In addition, if the General Partner becomes aware that owners of 45% or more of the Units then outstanding are, or may be, financial institutions or that such a situation is imminent, the General Partner may require these Limited Partners to sell their Units or a portion thereof within a specified period of not less than 15 days. If a Limited Partner fails to comply with any such request, the General Partner shall have the right in either case to sell such Limited Partner's Units at their most recent Net Asset Value less a 5% discount or the Partnership may redeem such Limited Partner's Units at their most recent Net Asset Value less a 5% discount.

Resignation and Removal of the General Partner

The General Partner may assign its obligations under the Partnership Agreement to an affiliate (including the Manager) without notice to or approval of the Limited Partners. The General Partner is entitled to resign as the general partner of the Partnership at any time after receiving approval of the Limited Partners by ordinary resolution and will be deemed to have resigned upon bankruptcy or dissolution and in certain other circumstances. The resignation of the General Partner will become effective upon the earlier of the appointment of a new general partner by the Limited Partners by ordinary resolution and the expiration of 180 days following the deemed resignation or written notice to the Limited Partners of the voluntary resignation of the General Partner. The General Partner is not entitled to resign if the effect of its resignation would be to dissolve the Partnership.

The General Partner may be removed at any time if the General Partner commits fraud or misconduct in the performance of, or disregards or breaches, the material obligations of the General Partner under the Partnership Agreement, the removal has been approved by an Extraordinary Resolution and a successor General Partner has been admitted to the Partnership. For greater certainty, no investment or divestiture decision made in good faith by the General Partner shall constitute or be deemed to constitute cause for removal of the General Partner. On the resignation or removal of the General Partner and the admission of a new general partner to the Partnership, the resigning or retiring general partner will transfer title of any assets of the Partnership in its name to the new general partner.

The Manager and Portfolio Advisor of the Partnership

Northern Precious Metals Management Inc., an affiliate of the General Partner, and the Promoter of the Partnership has been retained by the General Partner as investment fund manager of the Partnership as defined under the *Securities Act* (Québec) in order to manage the business, operations and affairs of the Partnership and as Portfolio Advisor of the Partnership in order to select potential investments, advise the Partnership and manage the Partnership's portfolio. The Manager was registered as a portfolio manager on November 24, 2005 in the Provinces of Québec and Ontario and as an investment fund manager on September 29, 2010 pursuant to Regulation 31-103 *respecting Registration Requirements and Exemptions* with the securities regulatory authority of the Province of Québec.

The Manager was incorporated on November 24, 2005, for the purpose of providing management and advisory services to those entities bearing the "Northern Precious Metals" name. It does not provide services to any other persons. The head office and principal place of business of the Manager is at 1 Place Ville-Marie, Suite 4000, Montreal, Québec, H3B 4M4.

The Partnership has entered into an agreement with the Manager pursuant to which the Manager will perform certain management, administration and other services for the Partnership. In consideration for the services to be rendered by the Manager to the Partnership, the Manager will be entitled, during the period commencing on the Closing Date and ending on the date of the final distribution of the assets of the Partnership, to an annual management fee equal to 2% of the Net Asset Value. This fee will be calculated and paid monthly in arrears in cash based on the Net Asset Value at the end of the preceding month (and pro-rated in respect of any partial month, if applicable).

The Manager will be entitled to the Performance Bonus if earned. The Performance Bonus will be calculated on the Performance Bonus Date and paid as soon as practicable thereafter.

The names, municipalities of residence, offices or positions held with the Manager and principal occupations of the directors and officers of the Manager are listed below.

Directors and Officers of the Manager

Name and Municipality of Residence	Office or Position	Principal Occupation
Jean-Guy Masse Montreal, Québec	President, Chief Executive Officer & Director	President, Northern Precious Metals Management Inc.
Marcel Bergeron, C.A. Montreal, Québec	Chief Financial Officer & Director	Financial Consultant
John T. Postle Oakville, Ontario	Director	Consulting Mining Engineer Roscoe Postle Associates Inc. (geological and mining consultants)

Mr. Claude Lemire who was from 2003 to 2009 Chief Financial Officer and a director of the Manager will be acting as a consultant to the Manager. He has more than thirty years of experience as a financial advisor and portfolio manager. He is presently financial advisor to the Montreal Police Pension Fund (Association de Bienfaisance et de Retraite des Policiers de la ville de Montréal) and to the Université du Québec à Montréal Pension Fund.

Duties and Services to be Provided by the Manager and Portfolio Advisor

Pursuant to the Management Agreement, the Manager will provide investment, management, administrative and other services to the Partnership, including, without limitation, the following:

- advising the Partnership with respect to the timing and terms of offerings of Units;
- promoting and advertising the Partnership to the general public and to registered dealers;
- providing investor-relations services to the Partnership;
- selection and management of the Partnership's portfolio;
- management of the business, operations and affairs of the Partnership;
- maintaining the books and records of the Partnership, including the accounts reflecting allocations of income or loss to the Limited Partners and cash distributions;
- effecting all banking and cash management requirements;

- preparing all tax information, returns and other filings, including, without limitation, documents to be furnished by the Partnership to Limited Partners; such as the financial statements and management report, under the Tax Act and any other applicable tax legislation;

- ensuring compliance by the Partnership with the continuous disclosure obligations under applicable securities legislation;

- advising the Partnership on matters pertaining to potential acquisitions or divestitures;

- selecting the Mining Companies that will enter into Share Purchase Agreements with the Partnership;

- negotiating Share Purchase Agreements; and

- implementing the dissolution of the Partnership.

Details of the Management Agreement

The Management Agreement provides that the Manager is required to exercise the degree of care, diligence and skill that a reasonably prudent administrator having responsibility for the management of a similar business would exercise in comparable circumstances and to act honestly, in good faith and in the best interests of the Partnership. The Manager will be entitled to subcontract certain of its obligations under the Management Agreement to third parties.

In consideration of the services rendered to the Partnership under the Management Agreement, the Manager will be entitled:

(a) during the period commencing on the Closing Date and ending on the date of the final distribution of the assets of the Partnership, to an annual management fee equal to 2% of the Net Asset Value calculated and paid monthly in arrears in cash (and pro-rated in respect of any partial month, if applicable); and

(b) the Performance Bonus, payable on a per Unit basis, in an amount equal to 20% of the amount by which (i) the amount determined by dividing the Net Asset Value (prior to calculating the Performance Bonus) by the total number of Units outstanding as of the Performance Bonus Date exceeds (ii) the Performance Threshold. The Performance Bonus will be calculated on the Performance Bonus Date and paid as soon as practicable thereafter. See "Conflicts of Interest".

Pursuant to the Management Agreement, the Manager will also be entitled to reimbursement of the Administrative and Operating Expenses which it may advance to or for the benefit of the Partnership in carrying out its obligations and duties under the Management Agreement. The Administrative and Operating Expenses will be budgeted and subject to approval by the board of directors of the Manager.

The Management Agreement has an initial term of five years, and is then automatically renewed for successive five-year terms unless the Manager has given 12 month's notice that it has determined not to renew the Agreement.

The Manager or the Partnership may terminate the Management Agreement immediately and without being obligated to make any termination payment in the event of the insolvency or receivership of the other party, or in the case of default by the other party of a material obligation under the Management Agreement which is not remedied within 60 days, other than a failure of performance which results from an event of *force majeure*. The Management Agreement also provides that if there is a substantial deterioration in the business of the Partnership due to factors within the control of the Manager, which circumstance has not been cured within three months of the Partnership having provided written notice to the Manager of the substantial deterioration, then the Partnership may terminate the Management Agreement without being obligated to make any termination payment, provided the termination is approved by an Extraordinary Resolution.

The Management Agreement provides that in the event the Limited Partners should resolve to sell or distribute all or substantially all of the assets of the Partnership so that the Partnership will cease to carry on its business as previously constituted, the Management Agreement will terminate and the Partnership will pay to the Manager the management fee and Performance Bonus payable on the Effective Date of termination as well as reimbursement of operating expenses.

Previous Northern Partnerships

The Manager has extensive experience in identifying and negotiating Flow-Through Share financings with Mining Companies. Mr. Jean-Guy Masse, the President and Chief Executive Officer of the Manager, has experience in this field from the early 1980's and has had promoted flow-through financings under the "Northern Precious Metals" name since 2003.

The Previous Northern Partnerships have raised and invested more than $40 million. Past performance does not guarantee future results. There can be no assurance that the performance of the Partnership will equal or exceed the performance of the Previous Northern Partnerships.

The following table sets out the Net Asset Value per limited partnership unit of each Prior Partnership as at the effective date unaudited (each an "**Effective Date**") being (i) the dates on which the assets of Northern 2003 and Northern 2004 were transferred to an unrelated mutual fund, that is May 31, 2005 and May 26, 2006, respectively, (ii) the date of distribution of the assets of Northern 2005 to its unitholders, that is July 1, 2007, (iii) the date of the third distribution of the assets of Northern 2006 to its unitholders, that is April 16, 2010 (subject to note 3 below), (iv) the date of final distribution of the assets of Northern 2007 and Northern 2007-II to its unitholders, that is July 20, 2010.

The following table shows the one year, three year and annual compound returns since the inception and annualized after-tax rates of return on original invested capital of $1,000 per Unit for the above Previous Northern Partnerships. The one year, three year and annual compound returns **do not take into account any tax savings resulting from the original invested capital.** Actual after-tax rates of return on original invested capital for a Limited Partner will vary depending on a number of factors including province of residence, date of disposition, marginal tax rates, receipt of distributions, actual capital gain inclusions and deductions or credits received. **Past returns of the Previous Northern Partnerships are not indicative of how the Partnership will perform in the future.** See "Risk Factors" and "Forward-looking Statements".

	Net Asset Value per unit on Effective Date	Since Inception Annualized after-tax rate of return on original invested capital on Effective Date [2]	1 year return on original invested capital on Effective Date [2]	3 years return on original invested capital on Effective Date[2]	Since Inception Annual Compound Returns On Effective Date [2]
Name of Partnership					
Northern 2003 [1]	$449.06	2.13%	-30.71%	N.A	-41.36%
Northern 2004	$976.34	19.95%	52.55%	N.A	-1.68%
Northern 2005	$979.20	21.20%	14.26%	N.A	-1.39%
Northern 2006 [3]	$31.25	1.66%	23.28%	-19.83%	-14.54%
Northern 2007 [3]	$60.81	-12.67%	-30.71%	-58.70	-59.67%
Northern 2007-II [3]	$170.05	-10.27%	8.40%	N.A	-47.49%

Notes:

(1) Northern 2003 was distributed in Québec only.

(2) The annualized after-tax return on invested capital has been calculated assuming:

(i) the Net Asset Value on the Effective Date plus all distributions, if any, received by a limited partner during the period from the inception date to the Effective Date. To this amount is added all tax savings, including CEE, income losses, cost of issue, federal ITC and provincial tax credit, if any. Deductions are made for income tax on the federal ITC and for the capital gain tax. This final value is then divided by the price of a unit of $1,000 and returns are annualized over the period from the inception date to the Effective Date.

(ii) a limited partner is an individual resident in Ontario and was subject to the highest combined federal and provincial marginal tax rate of 46.41%.

(iii) each unit has an adjusted cost base of nil or close to nil;

(iv) the third distribution of the assets of Northern 2006 took place on April 16, 2010 (see note 3 below).

(v) the final distribution of the assets of Northern 2007 and Northern 2007-II took place on July 20, 2010.

The one year, three year and annual compound returns are calculated as follows: The Net Asset Value on the Effective Date plus all distributions, if any, divided by the price of a unit of $1,000 over the period from the inception date to the Effective Date. The distributions by the Partnership are assumed to be reinvested in the Partnership at the Net Asset Value of the Portfolio. These returns do not take into account any tax savings.

(3) The limited partners of Northern 2006 have received three distributions; $135 in June, 2008, $67 in December, 2008 and $324.05 in April, 2010, for a total of $526.05. Northern 2006's only remaining asset on the Effective Date, April 16, 2010, is valued at $31.25 per unit and is composed of 277,778 shares of Yellowhead Mining Inc. which advises that it intends to list its shares on a recognized stock exchange in the coming months. As soon as these shares are listed, they will be disposed of and the resulting net assets, distributed to limited partners. Northern 2007 and Northern 2007-II have been fully liquidated and the proceeds of their net assets, distributed to their limited partners.

Custodian

The Partnership has appointed Computershare Trust Company of Canada as custodian of its portfolio pursuant to a Depositary and Custodial Services Agreement dated October 25, 2010 (the "**Custodian Agreement**") among the Partnership, Computershare Trust Company of Canada and the General Partner. The Custodian is located in Montreal, Québec. The Custodian's core custody services include safekeeping, settlement, corporate actions, income collection, proxy voting, tax services and entitlements processing. The Custodian shall be paid such compensation as may from time to time be agreed upon in writing between the General Partner and the Custodian. The Custodian Agreement continues until terminated by either party on 30 days written notice unless terminated earlier as described below. The Custodian Agreement will terminate if either the Custodian or the Partnership is declared bankrupt or becomes insolvent, if the assets of the business of either the Custodian or the Partnership become liable to seizure or confiscation by any public or governmental authority, or if the General Partner's powers and authorities to act on behalf of or represent the Partnership established on its behalf have been revoked or terminated.

Auditor

The auditors of the Partnership are Petrie Raymond L.L.P., Chartered Accountants, 255 Cremazie Blvd. East, Suite 1000, Montreal, Québec H2M 1M2. Petrie Raymond L.L.P. prepared an independent auditors' report dated August 19, 2010 in respect of the Partnership's balance sheet as at August 19, 2010. Petrie Raymond L.L.P. has advised that they are independent with respect to the Partnership and the Manager within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

Transfer Agent and Registrar

Computershare Investor Services Inc. is the registrar and transfer agent for the Units pursuant to a Transfer Agency Agreement. Computershare Investor Services Inc. will provide its services to the Partnership primarily in Montreal, Québec.

Promoter

The Manager may be considered to be the promoter of the Partnership by reason of its initiative in forming and establishing the Partnership and taking the steps necessary for the public distribution of the Units. The Manager will not receive any benefits, directly or indirectly, from the issuance of Units offered other than as specifically described in this prospectus. See "Organization and Management Details of the Partnership - The Partnership" and "Organization and Management Details of the Partnership - Details of the Partnership Agreement".

CONFLICTS OF INTEREST

Conflicts of interest may exist between any one or more of the General Partner or an affiliate of the General Partner, on the one hand, and the Partnership, on the other hand. Some of these conflicts arise as a result of the power and authority of the General Partner to manage and operate the business and the day to day affairs of the Partnership. Other conflicts may arise as none of the directors and officers of the General Partner will devote their full time to the business and affairs of the General Partner, although each will devote as much time as is necessary for the management of the business and affairs of the Partnership and the General Partner. The General Partner has fiduciary obligations to the Limited Partners. As a result, the General Partner believes that such conflicts of interest will not have a material adverse impact on the affairs of the Partnership.

Conflicts of interest may exist between any one or more of the Manager or an affiliate of the Manager, on the one hand, and the Partnership, on the other hand. Some of these conflicts may arise as a result of certain management, administrative and other services the Manager provides to the Partnership. The Manager is affiliated with the General Partner. The Manager will be entitled to receive the annual management fees, and a Performance Bonus described in this prospectus. Pursuant to the Management Agreement, the Manager is also entitled to receive fees for administrative or other services provided directly by the Manager to the Partnership, other than the management services that are already provided for by the management fees. The Manager is also entitled to receive interest at the Prime Rate on the amounts advanced by it to the Partnership in respect of Administrative and Operating Expenses. See "Organization and Management Details of the Partnership - The Manager and Portfolio Advisor of the Partnership, The General Partner" and "Details of the Partnership Agreement".

Other conflicts may arise as none of the directors and officers of the Manager will devote their full time to the business and affairs of the Manager, although each will devote as much time as is necessary for the management of the business and affairs of the Manager and the provisions of the services to the Partnership pursuant to the Management Agreement. The Manager is required to exercise the degree of care, diligence and skill that a reasonable prudent administrator having responsibility for the management of a similar business would exercise in comparable circumstances and to act honestly, in good faith and in the best interests of the Partnership. As a result, the Manager believes that such conflicts of interest will not have a material adverse impact on the affairs of the Partnership.

The Manager is not obligated to present any particular investment opportunity to the Partnership and may take for its own account or recommend to others (including entities related to the Manager) such investment opportunity. The Manager is not in any way limited or affected in its ability to carry on other business ventures for its own account and for the account of others, and may be engaged in the ownership, acquisition and operation of businesses which compete with the Partnership, including acting as the manager of other limited partnerships which are in the same business as the Partnership. Investment in the Partnership will not carry with it the right for either the Partnership or any Limited Partner to invest in any other property or venture of the Manager, or to any profit therefrom or to any interest therein. The Manager will act in the best interests of the Partnership.

As of the date hereof, the Partnership has not been advised by any of the directors and officers of the Manager of their intention to purchase Units.

Certain directors of the General Partner are officers, directors and shareholders of, and certain affiliates of the Manager are shareholders of, Mining Companies and, subject to compliance with applicable law, the Partnership may enter into Share Purchase Agreements with such Mining Companies.

Messrs. Jean-Guy Masse and Marcel Bergeron, who are directors of the General Partner and the Manager, and Guy Hébert, who is a member of the Independent Review Committee, are independent directors of Strateco Resources Inc. This is a strictly business relationship and the Manager believes that any apparent conflict of interest will not have a material impact on the affairs of the Partnership or affect the independence of Mr. Hébert in acting on the Independent Review Committee.

The Agent may participate in the placement of shares for various Mining Companies on a private placement basis and, in the ordinary course of so doing shall receive fees for such services which shall be commensurate with industry standards.

The Manager is affiliated with the General Partner. The Manager will be entitled to receive the annual management fees and a Performance Bonus described in this prospectus. Pursuant to the Management Agreement, the Manager is also entitled to receive fees for administrative or other services provided directly by the Manager to the Partnership, other than the management services that are already included in the management fees. The Manager is also entitled to receive interest at the Prime Rate on the amount advanced by the Manager to the Partnership in respect of the Administrative and Operating Expenses. See "Organization and Management Details of the Partnership - The Manager and Portfolio Advisor of the Partnership, The General Partner" and "Details of the Partnership Agreement".

Independent Review Committee

The Independent Review Committee for the Partnership deals with conflict of interest matters presented to it by the Manager in accordance with Regulation 81-107 respecting Independent Review Committee for Investment Funds ("**Regulation 81-107**"). The Manager is required under Regulation 81-107 to identify conflicts of interest inherent in its management of the Partnership and the other investment funds managed by it, and requests input from the Independent Review Committee on how to manage these conflicts of interest.

The Independent Review Committee will provide its recommendations or approvals, as required, to the Manager with a view to the best interest of the Partnership. The Independent Review Committee reports annually to the Limited Partners. Regulation 81-107 also requires the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide assistance to the Independent Review Committee in carrying out its functions. The reports of the Independent Review Committee will be available free of charge from the Partnership's website at http://www.npmfunds.com. Information contained on the Partnership's website is not a part of the prospectus and is not incorporated herein by reference. The Independent Review Committee is required to be comprised of a minimum of three independent members, and is subject to requirements to conduct regular assessments and to provide reports to the Manager and to unitholders in respect of the committee's functions.

The compensation, currently set at $12,000 per annum for the members in total, and other reasonable expenses of the Independent Review Committee will be paid out of the assets of the Partnership.

The current members of the Independent Review Committee, all of whom are independent of the General Partner and the Manager, are Guy Hébert, Dupuis Angers and Roland Doré.

Guy Hébert has a baccalaureate in geology from the Université de Montréal and a master's in business administration from the Université de Sherbrooke. Mr. Hébert has been the President and Chief Executive Officer of Strateco Resources Inc. since April 2000. He has also been a director and the President of BBH Géo-Management Inc. since October 1992. BBH Géo-Management Inc. is a private corporation that offers management services to mining corporations. Mr. Hébert was the President of Cadiscor Resources Inc. for a few months when it was incorporated, that is from March 2006 to June 1, 2006 and has subsequently remained as director and Chairman of the Board of Cadiscor Resources Inc. From 1986 to 2001, he was the President and Chief Executive Officer of Lyon Lake Mines Ltd. From 1985 to 1992, he was the President and Chief Executive Officer of Audrey Resources Inc. From 1993 to 1998, Mr. Hébert was a director of Ressources Orléans Inc., and, from 1995 to 2000, he was the President and Chief Executive Officer of Altavista Mines Inc.

Dupuis Angers has a degree in management and a degree in pharmacy science, industrial option, from the Université de Montréal. He also obtained a master's in business administration from Harvard University in 1977. Since then, Mr. Angers has held various management positions, more particularly with the Sico Inc. group from 1986 to 1993, Inno-Centre from 1993 to 1995, the Institut Rosell from 1995 to 1998, Lallemand Inc. from 1998 to 2002, and SGF Santé, a subsidiary of the Société générale de financement du Québec, from 2002 to 2003. In addition, Mr. Angers has been a director of various entities; more particularly, the Guy Angers estate, Bio-Talent Canada and the Centre québécois de valorisation des biotechnologies. He also created his own consulting services firm, Dupuis Angers & Associés, in 2003.

Roland Doré has an engineering degree from the École Polytechnique de Montréal. He also obtained a master's in science, specializing in mechanical engineering, and, in 1969, a doctorate from Stanford University, in California. From 1960 to 1992, Mr. Doré held various positions in the fields of teaching and management at the

École Polytechnique de Montréal. In addition, he has been a director of various firms including the SIGMA consulting group, the Compagnie d'Assurances la Laurentienne, Laurentian Pacific General Insurance, Bell Mobility, Groupe Innovitech, Polyplan Technologies, Lysac Technologies, and Valorisation Recherche Québec, and is the President and founder of DORESPACE. Mr. Doré is or has been a member of a number of professional organizations including the Engineering Institute of Canada, The Canadian Academy of Engineering, the Ordre des ingénieurs du Québec, the International Astronautical Federation and the International Academy of Astronautics. Roland Doré is currently a member of the boards of directors of Univalor and Accès-Nature Lac-Supérieur.

The Independent Committee will deal with conflicts of interest issues submitted to it by the Manager as required by Regulation 81-107. The Manager has a Code of Ethics and Standards of Professional Conduct (the "**Code**"), and the Manager has implemented the necessary procedures to comply with Regulation 81-107.

The Code, which applies to all of the General Partner's and the Manager's employees, is in place to protect the interest of all of the General Partner's and the Manager's clients. The Code provides policies governing the conduct of business, including conflicts of interest, privacy issues and confidentiality. The Manager is under a statutory duty imposed by applicable securities legislation to act honestly and in good faith and in the best interests of the funds managed by the Manager and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

CALCULATION OF NET ASSET VALUE

The Net Asset Value of the Partnership will be calculated by the Manager on each Valuation Date, generally at 4:00 p.m. (Montreal time), by subtracting the aggregate amount of the Partnership's liabilities on such Valuation Date from the aggregate value on such Valuation Date of the assets of the Partnership.

Valuation Policies and Procedures

The value of the Partnership's assets on each Valuation Date will be determined in accordance with the following principles:

(a) the value of any security which is listed on a stock exchange will be the official closing sale price or, if there is no such sale price, the average of the bid and the ask price at that time by the close of trading of the Toronto Stock Exchange (generally 4:00 p.m., Montreal time) all as reported by any report in common use or authorized as official by the stock exchange; provided that if such last sale price is not within the latest available bid and ask quotations on the Valuation Date, the Manager has the discretion to determine a value which it considers to be fair and reasonable (the "fair value") for the security based on market quotations the Manager believes most closely reflects the fair value of the investment. The trading hours for foreign securities that trade in foreign markets may end prior to 4:00 p.m., Montreal time, and therefore not take into account, among other things, events that occur after the close of the foreign market. In these circumstances, the Manager may determine a fair value for the foreign securities which may differ from that security's most recent closing market price. These adjustments are intended to minimize the potential for market timing strategies which are largely focused on mutual funds with significant holdings in foreign securities;

(b) the value of any security which is traded on an over-the-counter market will be the closing sale price on that day or, if there is no such sale price, the average of the bid and the ask prices at that time, all as reported by the financial press;

(c) long positions in debt-like securities and listed warrants shall be valued at their current market value;

(d) the value of any listed security which is subject to a hold period (a "**restricted security**") shall be the quoted market value less the amount of any purchase discount amortized over the length of the hold period. The value of a restricted security that was purchased at a premium will be the closing sale price (as determined pursuant to paragraph (a) above) of the same security which is not restricted;

(e) the value of any security or other asset for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied, will be its fair value on that day determined in a manner by the Manager in its discretion; and

(f) tax deductions which accrue to Limited Partners shall not be taken into account in making such determination.

If an asset cannot be valued under the foregoing principles or if the foregoing principles are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding such principles, the Manager will make such valuation as it considers fair and reasonable and, if there is an industry practice, in a manner consistent with industry practice for valuing such asset.

The liabilities of the Partnership on each Valuation Date will be determined by the Manager in accordance with normal business practices and Canadian GAAP. The liabilities of the Partnership include all bills, notes and accounts payable; all administrative expenses payable or accrued, (including management fees and the Performance Bonus); all contractual obligations for the payment of money or property; all allowances authorized or approved by the General Partner for taxes; and all other liabilities of the Partnership.

The Net Asset Value per Unit will be the amount obtained by dividing the Net Asset Value as of a particular Valuation Date by the total number of Units outstanding on that date.

The Net Asset Value per Unit will be calculated in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefore that the Partnership may obtain ("**Transaction NAV**"). The Net Asset Value per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian GAAP ("**GAAP NAV**"). The GAAP NAV will be used for financial statement reporting purposes and a reconciliation between GAAP NAV and Transaction NAV will be included.

In accordance with the recent amendments to Regulation 81-106 respecting *Investment Fund Continuous Disclosure* ("**Regulation 81-106**"), the fair value of a portfolio security used to determine the daily price of the Partnership's securities for purchases and redemptions by investors will be based on the Partnership's valuation principles set out above under the heading "Valuation Policies and Procedures of the Partnership", which comply with requirements of the recent amendments to Regulation 81-106 but differ in some respects from the requirements of Canadian GAAP.

Canadian GAAP requires that the fair value of the financial instruments listed on a recognized public stock exchange be valued at their last bid price for securities at long position (ask price for securities at short position) instead of the close price or the last sale price of the security for the day as required by recent amendments to Regulation 81-106.

Reporting of Net Asset Value

The Net Asset Value will be disclosed on each Valuation Date. Weekly, the Net Asset Value per Unit will be available on the Partnership's website at http://www.npmfunds.com or by contacting the Partnership at (514)-898-3959. Information contained on the Partnership's website is not part of this prospectus and is not incorporated herein by reference.

ATTRIBUTES OF THE SECURITIES

Description of the Units Distributed

The interests of the Limited Partners will be divided into and represented by an unlimited number of Units. Each Unit entitles the holder thereof to the same rights and subjects such holder to the same obligations as the holder of any other Unit and no Limited Partner is entitled to any privilege, priority or preference in relation to any other Limited Partner. The Partnership does not intend to issue Units other than as qualified by this prospectus.

A Subscriber who subscribes for Units, among other things:

(a) irrevocably authorizes the securities dealer who is responsible for such subscription to provide certain information to the Manager, including such Subscriber's full name, residential address or address for service, social insurance number or the corporation account number, as the case may be, and the name and registered representative number of the representative of the securities dealer responsible for such subscription and covenants to provide such information to the Agent;

(b) acknowledges that he, she or it is bound by the terms of the Partnership Agreement and is liable for all obligations of a Limited Partner;

(c) makes representations and warranties, set out or deemed to be set out in the Partnership Agreement, including without limitation, representations and warranties that he, she or it:

(i) is not a "non-resident" for the purposes of the Tax Act or an entity an interest in which is a "tax shelter investment" for purposes of the Tax Act or a "non-Canadian" within the meaning of the *Investment Canada Act*;

(ii) is not a partnership, or, in the case that it is a partnership, it is a "Canadian partnership" for purposes of the Tax Act;

(iii) has not financed the acquisition of the Units with borrowings for which recourse is, or deemed to be, limited for purposes of the Tax Act;

(iv) is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act unless such prospective purchaser has provided written notice to the contrary to the Partnership prior to the date of acceptance of the prospective purchaser's subscription for Units; and

(v) will maintain the status set out in (i), (ii), (iii) and (iv) above during such time as the Units are held;

(d) irrevocably nominates, constitutes and appoints the Manager as his true and lawful attorney with the full power and authority as set out in the Partnership Agreement;

(e) if applicable, irrevocably authorizes the Manager to file on behalf of the Subscriber all elections deemed necessary or desirable by the Manager to be filed under the Tax Act and any other applicable tax legislation in respect of the dissolution of the Partnership; and

(f) covenants and agrees that all documents executed and other actions taken on behalf of the Limited Partners pursuant to the power of attorney set out in the Partnership Agreement will be binding upon such Subscriber, and each Subscriber agrees to ratify any of such documents or actions upon request by the Manager.

SECURITYHOLDERS MATTERS

A number of the functions attributed to the General Partner herein shall be attended to by the Manager, pursuant to the Management Agreement.

Meetings

Meetings of the Limited Partners are not required. Meetings of the Limited Partners may be called by the General Partner at any time. A meeting will be called on the requisition of Limited Partners holding in the aggregate 10% or more of the outstanding Units. Notice of not less than 21 days and not more than 60 days will be given for each meeting. All meetings of Limited Partners will be held in Montreal, Québec or at another location in Canada selected by the General Partner or the Limited Partners, as the case may be. A Limited Partner may attend a meeting of the Partnership in person or by proxy or, in the case of a corporate Limited Partner, by a representative. Quorum for a meeting is two persons, neither of which is the General Partner, present in person and holding, or representing by

proxy, in the aggregate 1% or more of the outstanding Units. Where quorum is not present, the meeting will, if called by the General Partner, be adjourned (in which event there is no quorum requirement for the adjourned meeting) and, if requisitioned by Limited Partners, will be cancelled.

Matters Requiring Approval of Limited Partners

The General Partner may not be removed other than by an Extraordinary Resolution in circumstances where the General Partner is in breach or default of one or more of its obligations under the Partnership Agreement and, if capable of being cured, such breach or default has not been cured within 20 business days' notice of such breach to the General Partner, or if the General Partner becomes bankrupt or insolvent. A quorum for a meeting called for the purposes of removing the General Partner shall consist of two or more individuals present in person or by proxy and representing not less than 50% of the outstanding Units. A new general partner of the Partnership may be appointed by Ordinary Resolution.

Amendments to Partnership Agreement

Limited Partners are entitled to authorize amendments to the Partnership Agreement by Extraordinary Resolution but no amendment that adversely affects the rights or interest of the General Partner, other than its removal, may be made without the approval of the General Partner. The General Partner is entitled in certain limited circumstances as set out in the Partnership Agreement to make certain amendments to the Partnership Agreement without the approval of the Limited Partners for the purpose of adding, changing or deleting any provision which, in the opinion of counsel to the Partnership, is for the protection or benefit of the Limited Partners or the Partnership, for the purpose of curing an ambiguity or for the purpose of supplementing any provision which may be defective or inconsistent with another provision, if such amendments do not, in the opinion of counsel to the Partnership, adversely affect the right of any Limited Partner.

Accounting and Reporting to the Limited Partners

The Partnership's fiscal year will be the calendar year. The Manager, on behalf of the Partnership, will file and deliver to each Limited Partner, as applicable, such financial statements (including interim unaudited and annual audited financial statements) and other reports as are from time to time required by applicable law. The annual financial statements of the Partnership will be audited by the Partnership's auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with Canadian GAAP and commencing January 1, 2011, in accordance with International Financial Reporting Standards (IFRS). The General Partner, on behalf of the Partnership, may seek exemptions from certain continuous disclosure obligations under applicable securities laws and is authorized to do so under the Partnership Agreement.

The General Partner will forward or cause to be forwarded to each Limited Partner, either directly or indirectly through CDS, the information necessary for the Limited Partner to complete such Limited Partner's Canadian federal and provincial income tax returns with respect to Partnership matters for the preceding year. The Manager will make all filings required with respect to tax shelters by the Tax Act and the *Taxation Act* (Québec).

The General Partner is required to keep adequate books and records reflecting the activities of the Partnership in accordance with normal business practices, Canadian GAAP and applicable securities legislation. A Limited Partner has the right to examine the books and records of the Partnership at all reasonable times. Notwithstanding the foregoing, a Limited Partner will not have access to any information which in the opinion of the General Partner should be kept confidential in the interests of the Partnership and which is not required to be disclosed by applicable securities legislation or other laws governing the Partnership.

TERMINATION OF THE PARTNERSHIP

Term

The Partnership will be dissolved upon the earliest of:

(a) the approval of such dissolution by the General Partner following the authorization of such dissolution by an Extraordinary Resolution;

(b) a date determined by the General Partner in the fiscal period in which, and within 60 days after the date on which, all the assets of the Partnership that are eligible for transfer under subsection 85(2) of the Tax Act are distributed to the Limited Partners;

(c) 180 days after the bankruptcy or dissolution of the General Partner, unless within that 180 day period a new general partner is appointed; and

(d) a date that is within 60 days of December 31, 2011.

Liquidity Event

The Manager intends to create liquidity for Subscribers, if possible, before December 31, 2011, and in any event, within 60 days of December 31, 2011. Liquidity may be achieved by way of any of the following: (1) in the discretion of the Manager, distributing the cash proceeds from the sale of shares or other securities, if any, of Mining Companies to Limited Partners from time to time on a *pro rata* basis; or (2) dissolving and terminating the Partnership by no later than within 60 days after December 31, 2011 after all assets of the Partnership are disposed of, all liabilities of the Partnership discharged and all net proceeds of dispositions distributed.

The Manager will provide written notice to Limited Partners two months in advance as to the method of achieving liquidity and post such information on the Partnership's website at *www.npmfunds.com*.

Pursuant to the Partnership Agreement and the Management Agreement, the Manager has been granted all necessary power on behalf of the Partnership and each Limited Partner to implement the dissolution of the Partnership and to file all elections deemed necessary or desirable by the Manager to be filed under the Tax Act and any other applicable tax legislation in respect of the dissolution of the Partnership, without any authorization by the Limited Partners in respect thereof. See "How to Subscribe for Units" and "Organization and Management Details of the Partnership - The Partnership" and "Organization and Management Details of the Partnership - Details of the Partnership Agreement".

If the Partnership continues in operation only until the Flow-Through Shares and other securities, if any, of Mining Companies are disposed of, the Manager will invest the net proceeds of such dispositions after repayment of indebtedness of the Partnership including the Loan Facility, in High-Quality Money Market Instruments pending the distribution of the proceeds to the Limited Partners. Should the Partnership continue in operation, the Manager will continue to manage the portfolio. At the time of dissolution of the Partnership, its assets will mainly consist of cash, or a combination of cash and Flow-Through Shares and other securities, if any. If at the time of dissolution such assets consist partly of Flow-Through Shares, and in order to allow the assets of the Partnership to be distributed on a tax-deferred basis, each Limited Partner will receive an undivided interest in each asset of the Partnership equal to the Limited Partner's interest in the Partnership. Immediately thereafter, the undivided interest in each such asset will be partitioned and Limited Partners will receive Flow-Through Shares and such other assets of the Partnership in proportion to their former interests in the Partnership. The Manager will request that the transfer agent, for each Mining Company, provide share certificates registered in the name of each Limited Partner.

Transfer of Units

There is no restriction on the transfer of Units except that the General Partner will refuse to record an assignment to an assignee whom the General Partner believes to be a "non-Canadian", as that expression is defined in the *Investment Canada Act*, or a "non-resident" for the purposes of the Tax Act or an assignment to an assignee that is a "financial institution" for purposes of the Tax Act if, following such assignment, the Partnership would be a "financial institution". If a Limited Partner ceases to be resident of Canada or becomes a "financial institution" for tax purposes and does not sell his, her or its Units to a person who is qualified to hold such Units, the General Partner has the right pursuant to the Partnership Agreement to sell such Limited Partner's Units at the fair market value of the Units to a person who is so qualified to hold Units. If there is then no market for the Units, the cost of appraising such Units shall be borne by the non-resident or financial institution Limited Partner, as the case may be. As most of

the tax advantages that would ordinarily flow through to Limited Partners are expected to be realized in the 2010 taxation year and, to realize such tax advantages the person must be a Limited Partner as of December 31, 2010, an assignee of Units after December 31, 2010 is not expected to realize such tax advantages.

Resignation and Removal of General Partner

The General Partner is entitled to resign as the general partner of the Partnership at any time and will be deemed to have resigned upon bankruptcy or dissolution and in certain other circumstances. The resignation of the General Partner will become effective upon the earlier of the appointment of a new general partner by the Limited Partners by ordinary resolution and the expiration of 180 days following the deemed resignation or written notice to the Limited Partners of the voluntary resignation of the General Partner. The General Partner is not entitled to resign if the effect of its resignation would be to dissolve the Partnership.

The General Partner may be removed at any time if the General Partner commits fraud or misconduct in the performance of, or disregards or breaches, the material obligations of the General Partner under the Partnership Agreement, the removal has been approved by an Extraordinary Resolution and a successor general partner has been admitted to the Partnership. For greater certainty, absent fraud or misconduct, no investment or divestiture decision by the General Partner shall constitute or be deemed to constitute cause for removal of the General Partner. On the resignation or removal of the General Partner and the admission of a new general partner to the Partnership, the resigning or retiring General Partner will transfer title of any assets of the Partnership in its name to the new general partner.

USE OF PROCEEDS

The Gross Proceeds to be derived from the sale of the Units will amount to $10,000,000 if the Maximum Offering is completed and $1,000,000 if the Minimum Offering is completed. The following table provides a breakdown of the use of the Gross Proceeds for the Minimum Offering and the Maximum Offering:

Net Proceeds	Minimum Offering	Maximum Offering
Gross Proceeds to the Partnership	$ 1,000,000	$ 10,000,000
less estimated expenses of the Offering[1] [2]	$ 77,400	$ 180,000
less Agent's fee[1] [2]	$ 100,000	$ 1,000,000
Net proceeds to the Partnership[2][3][4]	$ 822,600	$ 8,820,000
Available Funds		
Net proceeds to the Partnership	$ 822,600	$ 8,820,000
Proceeds from the Loan Facility[1]	$ 187,400	$ 1,330,000
2010 Partnership fees and operating expenses[2]	$ (10,000)	$ (150,000)
Available Funds[4]	$ 1,000,000	$ 10,000,000

Notes:

(1) The Agent's fee is equal to 10% of this Offering, comprised of a selling commission of 6.5% and a corporate finance fee of 3.5%. The expenses of the Offering are estimated by the Manager to be $77,400 in the case of the Minimum Offering and $180,000, in the case of the Maximum Offering.

(2) The Partnership's portion of the Offering expenses and certain Administrative and Operating Expenses together with the Agent's fee, will be paid, in whole or in part, by the Partnership from the proceeds of the Loan Facility. The expenses of this Offering to such extent are not deductible in computing income by the Partnership pursuant to the Tax Act for the fiscal period ended December 31, 2010. See "Fees and Expenses - Initial Fees and Expenses" and "Fees and Expenses - Loan Facility".

(3) The management fee for 2010 is not payable until December 31, 2010 and will be paid within 60 days thereafter. In addition, the Manager has agreed to advance payment for all Administrative and Operating Expenses on behalf of the Partnership. Pending payment or reimbursement by the Partnership, such costs will bear interest at the Prime Rate. The Partnership intends to pay these costs in 2011 using the proceeds of the sale of portfolio assets.

(4) If the Over-Allotment Option granted by the Partnership is exercised in full, the Partnership expects to receive an additional $1,500,000 in Available Funds.

All proceeds not immediately required to be disbursed and any interest thereon will be invested by the Manager in High-Quality Money Market Instruments.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agent has agreed to form and manage a selling group consisting of registered dealers and brokers to offer Units for sale on a best-efforts basis, if, as and when issued by the Partnership, in accordance with the Agency Agreement. The Closing will take place after the conditions set forth below are satisfied. If, for any reason, the Closing does not occur by December 31, 2010 subscription proceeds received will be promptly returned to Subscribers, without interest or deduction. If less than the maximum number of Units is issued at the Closing, additional Units may be offered (up to the maximum) and subsequent Closings may occur at any time after the Closing Date but not later than December 31, 2010. The offering price of the Units is $1,000 per Unit with a minimum subscription of five Units ($5,000). The Agent will be entitled to receive a fee of $100 for each Unit purchased. The General Partner created the Partnership and determined the terms of this Offering. The Agent participated in the due diligence activities performed in connection with this Offering.

All of the Units which are purchased at a Closing through a CDS Participant will be issued in registered form to the applicable CDS Participant. Indirect access to the CDS book-based system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly. It is anticipated a global certificate will be issued in the name of CDS or its nominee representing those Units held through the book-based system. Any purchase or transfer of such Units must be made through a CDS Participant. Each purchaser of a Unit will receive a customer confirmation of purchase from the CDS Participant through which such Unit is purchased in accordance with the practices and procedures of such CDS Participant.

A holder of a Unit will not be entitled to any receipt or other instrument from the General Partner, the Manager, CDS or the Partnership's transfer agent evidencing that holder's interest in or ownership of Units, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. However, a holder of Units participating in the book-based system may, through the applicable CDS Participant, request that such Units no longer be held through the book-based system, in which case a certificate representing such Units will be issued to such holder as soon as reasonably practicable. Distributions on Units, if any, will be made by the Partnership to CDS, which will then be forwarded by CDS to the CDS Participants, and thereafter to the holders of those Units. There may be time delays in the recording of information by CDS and the recording of information in the Register. However, in accordance with the Partnership Agreement and Management Agreement, the General Partner will ensure that, as at the last day of December for each year the Partnership is in existence and the Register is accurate and complete.

If CDS or its successor ceases to be a clearing agency or otherwise ceases to be eligible to be a depositary, or if at any time the General Partner determines in its sole discretion to withdraw the Units from the book-based system, upon request, certificates representing Units will be issued to Limited Partners in the amounts of their respective holdings of Units as of the Effective Date of such termination unless the applicable CDS Participant makes alternative arrangements.

All of the Units which are purchased at a Closing through a non-CDS Participant shall be evidenced by a Unit certificate or such other form of confirmation of purchase as may be determined by the General Partner. Such Units may be transferred by completing and signing a transfer form approved by the General Partner.

The Offering will close on the Closing Date if (i) subscriptions for at least 1,000 Units are accepted by the General Partner, (ii) all contracts described under "Material Contracts" have been executed and delivered to the Partnership and are valid and subsisting, and (iii) all other conditions specified in the Agency Agreement for the Closing (including receipt of all necessary regulatory approvals) have been satisfied or waived by the Agent.

The General Partner, on behalf of the Partnership, reserves the right to reject any subscription in whole or in part and to reject all subscriptions. If a subscription for Units is rejected or accepted in part, unused subscription monies received will be returned forthwith to the Subscriber, without interest or deduction. If all subscriptions are rejected, subscription proceeds received will be returned forthwith to the Subscribers, without interest or deduction. Subscription proceeds pursuant to this Offering will be received by the Agent, or such other registered dealers or brokers as are authorized by the Agent, and held in trust in a segregated account until subscriptions for the Minimum Offering are received and the other closing conditions of this Offering have been satisfied. If the Minimum Offering is not subscribed for within 90 days following the date of issuance of a receipt for this prospectus or an amendment

to this prospectus, and in all cases by December 31, 2010, subscription proceeds will be forthwith returned to the Subscribers, without interest or deduction.

The obligations of the Agent under the Agency Agreement may be terminated, and the Agent may withdraw all subscriptions for Units on behalf of Subscribers, in its discretion on the basis of its assessment of the state of the financial markets. The Offering may also be terminated upon the occurrence of certain stated events including any material adverse change in the business, personnel or financial condition of the General Partner or the Partnership.

Over-Allotment Option

Pursuant to the Agency Agreement, the Partnership has granted the Agent an Over-Allotment Option to offer for sale, exercisable by notice given to the Partnership at any time prior to 30 days after the final closing of the Offering and, in any event, prior to December 31 2010, up to a number of Units equal to 15% of the Units issued under the Maximum Offering at the Offering price of $1,000 per Unit. If the Agent exercises the Over-Allotment Option in full, an aggregate of 11,500 Units will be sold under the Offering. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Units issuable on the exercise of the Over-Allotment Option.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

Policies and Procedures

Subject to compliance with the provisions of applicable securities legislation, the Manager, in its capacity as manager acting on the Partnership's behalf, has established policies and procedures for the Partnership to follow to determine whether, and how, to vote proxies relating to the securities of Mining Companies in the Partnership's investment portfolio. These policies prescribe that voting rights should be exercised with a view to the best interests of the Partnership and its Limited Partners. The policies and procedures include: (a) a standing policy for dealing with routine matters on which the Partnership may vote; (b) the circumstances under which the Partnership will deviate from the standing policy for routine matters; (c) the policies under which, and the procedures by which, the Partnership will determine how to vote or refrain from voting on non-routine matters; and (d) procedures to ensure that securities of Mining Companies in the Partnership's investment portfolio are voted in accordance with the policies and procedures.

The proxy voting policies that have been developed by the Manager are general in nature and cannot contemplate all possible proposals or non-routine matters with which the Partnership may be presented. Under the standing policy for dealing with routine matters on which the Partnership may vote, routine matters are limited to the determination of the number of directors comprising the board of directors of a Mining Company, the election of directors, the appointment of a chairperson, the appointment of a trustee, the appointment of auditors, and the remuneration of auditors. According to the standing policy, the Manager will vote with management of Mining Companies on such routine matters. Non-routine matters generally include all matters that are not specified to be routine, and would include unit-based compensation, issuance of rights and warrants, employee and management bonuses, shareholder rights plans, transactions requiring securityholder approval, including transactions effected through plans of arrangement, financings and amendments to a Mining Company's articles of incorporation. In order to discharge its obligations under the proxy voting policies, the Manager will review all relevant available documentation, including research on management performance, corporate governance and all other factors that it considers relevant.

The Manager will not vote proxies received for securities of Mining Companies which are no longer held in the Partnership's investment portfolio.

Proxy voting conflict of interest

In the unlikely event that a matter on which the Partnership may vote presents a conflict of interest or perceived conflict of interest, the Partnership will seek the advice of the Independent Review Committee (see "Organization and Management Details of the Partnership - Independent Review Committee". The Partnership will be required to vote in a manner consistent with the recommendation of the Independent Review Committee, or refrain from voting on such matter.

Disclosure of Proxy Voting Guidelines and Records

The Partnership intends to file an exemptive relief, to be requested by the General Partner on behalf of the Partnership from the requirements under Regulation 81-106, to prepare and file an annual information form, to maintain and prepare an annual proxy voting record, to post the proxy voting record on the Partnership's website, and to provide it to Limited Partners upon request. There is no assurance that such exemptive relief will be granted.

A copy of the Manager's policies and procedures on proxy voting will be available at the Partnership's website at *www.npmfunds.com*. Information contained on the website of the Partnership is not part of this prospectus and is not incorporated herein by reference.

MATERIAL CONTRACTS

The material contracts which have been entered into by the Partnership, other than contracts entered into in the ordinary course of business, are as follows:

(a) the Partnership Agreement referred to under "Organization and Management Details of the Partnership - The Partnership - Details of the Management Agreement";

(b) the Management Agreement referred to under "Organization and Management Details of the Partnership - The Partnership - Details of the Management Agreement";

(c) the Agency Agreement referred to under "Plan of Distribution";

(d) the Custodian Agreement referred to under "Organization and Management Details of the Partnership The Partnership - Custodian"; and

(e) the Transfer Agency Agreement referred to under "Organization and Management Details of the Partnership - The Partnership" - "Transfer Agent and Registrar".

Once executed, a copy of the contracts referred to above may be inspected during normal business hours at the offices of the General Partner at 1 Place Ville-Marie, Suite 4000, Montreal, Québec H3B 4M4 throughout the period of distribution hereunder. The Partnership Agreement will be accessible for download from the Internet as a document of the Partnership under SEDAR, at *http://www.sedar.com*, on the Northern Precious Metals Funds website at *http://www.npmfunds.com* and will be provided without charge upon written request to the General Partner at 1 Place Ville-Marie, Suite 4000, Montreal, Québec H3B 4M4.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Autorité des marchés financiers has filed a request with the *Bureau de décision et de révision* for the imposition of an administrative penalty of approximately $17,000 on the Manager, which has, as yet, not been resolved. See "Risk Factors - Legal and Administrative Proceedings".

EXPERTS

The auditors of the Partnership are Petrie Raymond L.L.P., Chartered Accountants, 255 Cremazie Blvd. East, Suite 1000, Montreal, Québec H2M 1M2. Petrie Raymond L.L.P. prepared an independent auditors' report dated August 19, 2010 in respect of the Partnership's balance sheet as at August 19, 2010. Petrie Raymond L.L.P. has advised that they are independent with respect to the Partnership within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

Computershare Investor Services Inc. is the registrar and transfer agent for the Units at its office in Montreal, Québec.

Legal matters in connection with this Offering will be passed upon on behalf of the Partnership and the Manager by Lavery, de Billy, L.L.P., and on behalf of the Agent by Heenan Blaikie LLP. As of the date of this prospectus, partners and associates of Lavery, de Billy, L.L.P. and Heenan Blaikie LLP did not own any of the outstanding Units.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus of Northern Precious Metals 2010 Limited Partnership (the "**Partnership**") dated October 25, 2010 relating to the issue and sale of a minimum of 1,000 units and a maximum of 10,000 units of the Partnership at a price of $1,000 per unit. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the prospectus of our reports to the Board of directors of Northern Precious Metals 2010 Inc., the General Partner, on the balance sheet of the Partnership as at August 19, 2010 and on the balance sheet of Northern Precious Metals 2010 Inc. at the same date. Our reports are dated August 19, 2010 (except for note 4 for Northern Precious Metals 2010 Limited Partnership, which is as at October 25, 2010).

(signed) Petrie Raymond [(1)]

Limited Liability Partnership
Chartered Accountants

Montréal, Canada
October 25, 2010

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(1) CA auditor permit #20507

AUDITORS' REPORT

To the Board of Directors of
NORTHERN PRECIOUS METALS 2010 INC.,
the General Partner of
NORTHERN PRECIOUS METALS 2010 LIMITED PARTNERSHIP

We have audited the balance sheet of **Northern Precious Metals 2010 Limited Partnership**, as at August 19, 2010. This financial statement is the responsibility of the General Partner's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this balance sheet presents fairly, in all material respects, the financial position of the Partnership as at August 19, 2010 in accordance with Canadian generally accepted accounting principles.

(signed) Petrie Raymond [(1)]
Limited Liability Partnership
Chartered Accountants

Montreal, Canada
August 19, 2010 *(except for note 4 which is as at October 25, 2010)*

(1) CA auditor permit #20507

NORTHERN PRECIOUS METALS 2010 LIMITED PARTNERSHIP

BALANCE SHEET

August 19, 2010

Assets

Cash	$100

Partners' Equity

Initial Limited Partner	$90
General Partner	10
	$100

Approved on behalf of Northern Precious Metals 2010 Limited Partnership by the Board of Directors of its General Partner, Northern Precious Metals 2010 Inc.

(signed) *Jean-Guy Masse*
Director

(signed) *Marcel Bergeron*
Director

The accompanying notes are an integral part of this financial statement.

NORTHERN PRECIOUS METALS 2010 LIMITED PARTNERSHIP

NOTES TO BALANCE SHEET

August 19, 2010

1. FORMATION OF THE PARTNERSHIP

Northern Precious Metals 2010 Limited Partnership (the "**Partnership**") was formed as a limited partnership under the laws of the Province of Québec.

The general partner of the Partnership is Northern Precious Metals 2010 Inc. (the "**General Partner**").

2. NATURE OF BUSINESS

The Partnership intends to invest in flow-through shares and other securities of Mining Companies in accordance with defined investment objectives, strategies and restrictions. In common with investment vehicles of this nature, the Partnership is subject to various risk factors including, but not limited to, the lack of a public market for the units of the Partnership, risks inherent in resource exploration, adverse fluctuations in the value of securities to be held by the Partnership, and illiquidity of flow-through shares and other securities, if any, of Mining Companies owned by the Partnership.

3. PAYMENTS TO GENERAL PARTNER AND TO MANAGER

The General Partner will be responsible for the management of the Partnership in accordance with the terms and conditions of the Partnership Agreement. The General Partner will be entitled to 0.01% of the net income of the Partnership. The Partnership has entered into an agreement with Northern Precious Metals Management Inc. (the "**Manager**") pursuant to which the Manager will perform certain management, administration and other services for the Partnership. In consideration for these services, the Manager will be entitled, during the period commencing on the closing of the initial offering of units of the Partnership and ending on the date of the transfer of the assets of the Partnership to a mutual fund corporation or to the limited partners of the Partnership, as the case may be, to an annual management fee equal to 2% of the Net Asset Value of the Partnership, payable monthly in arrears in cash (and pro-rated in respect of any partial month, if applicable). The Manager will be entitled to a per unit performance bonus, being an amount equal to 20% of the amount by which the Net Asset Value per unit as of the relevant measurement date exceeds $1,120.

The General Partner and the Manager will be reimbursed for expenses incurred in the performance of their duties, including professional fees.

4. MATERIAL TRANSACTION

On October 25, 2010, the Partnership entered into an agency agreement for the issue and sale of up to 10,000 units of the Partnership at a price of $1,000 per unit, on a best-efforts basis pursuant to a prospectus dated October 25, 2010.

AUDITORS' REPORT

To the Board of Directors of
NORTHERN PRECIOUS METALS 2010 INC.

We have audited the balance sheet of Northern Precious Metals 2010 Inc. as at August 19, 2010. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this balance sheet presents fairly, in all material respects, the financial position of the Company as at August 19, 2010 in accordance with Canadian generally accepted accounting principles.

(signed) Petrie Raymond [(1)]
Limited Liability Partnership

Chartered Accountants

Montreal, Canada
August 19, 2010

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(1) CA auditor permit #20507

NORTHERN PRECIOUS METALS 2010 INC.

OPENING BALANCE SHEET

August 19, 2010

Assets

Cash	$90
General Partner Capital –Northern Precious Metals 2010 Limited Partnership, at cost	10
	$100

Shareholders' Equity

Capital Stock	
Authorized	
Unlimited common shares issued and fully paid	
100 common shares	$100

Approved on behalf of the Board of Directors:

(Signed)	*Jean-Guy Masse* Director	(Signed)	*Marcel Bergeron* Director

The accompanying notes are an integral part of this financial statement.

NORTHERN PRECIOUS METALS 2010 INC.

NOTES TO OPENING BALANCE SHEET

August 19, 2010

1. NATURE OF BUSINESS

Northern Precious Metals 2010 Inc. (the "**Company**") was incorporated on June 18, 2010 under the laws of Canada. The primary business activity of the Company is to manage and act as the general partner of Northern Precious Metals 2010 Limited Partnership (the "**Partnership**"), a Québec limited partnership, the primary business of which is to invest in flow-through shares and other securities of Mining Companies.

2. MATERIAL CONTRACTS

The Company is responsible for the management of the Partnership in accordance with the terms of the limited partnership agreement. The Company will be entitled to 0.01% of the net income of the Partnership. The Partnership has entered into an agreement with Northern Precious Metals Management Inc. (the "**Manager**") pursuant to which the Manager will perform certain management, administration and other services for the Partnership. In consideration for these services, the Manager will be entitled during the period commencing on the closing of the initial offering of units of the Partnership and ending on the date of the transfer of the assets of the Partnership to a mutual fund corporation, or to the limited partners of the Partnership, as the case may be, to an annual management fee equal to 2% of the Net Asset Value of the Partnership, payable monthly in arrears in cash (and pro-rated in respect of any partial month, if applicable). The Manager will be entitled to a per unit performance bonus, being an amount equal to 20% of the amount by which the Net Asset Value per unit as of the relevant measurement date exceeds $1,120.

CERTIFICATE OF THE PARTNERSHIP, THE MANAGER AND THE PROMOTER

DATED: October 25, 2010

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec.

(Signed) *Jean-Guy Masse*
President and Chief Executive Officer of the General Partner, on behalf of the Partnership, and President and Chief Executive Officer of the Manager

(Signed) *Marcel Bergeron*
Chief Financial Officer of the General Partner, on behalf of the Partnership, and Chief Financial Officer of the Manager

On behalf of the Board of Directors of the General Partner, Northern Precious Metals 2010 Inc. on behalf of the Partnership

(Signed) *Jean-Guy Masse*
Director

(Signed) *John Postle*
Director

On behalf of the Promoter, Northern Precious Metals Management Inc.

By: (Signed) *Jean-Guy Masse*
President and Chief Executive Officer

CERTIFICATE OF THE AGENT

DATED: October 25, 2010

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec.

SECUTOR CAPITAL MANAGEMENT CORPORATION

By: (Signed) *Frank Jacobs*