

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale therein and 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.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of a U.S. person. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States or to U.S. persons. See "Plan of Distribution".

PROSPECTUS

Initial Public Offering

December 20, 2007



Maximum \$100,000,000 (10,000,000 Units) (Each Unit consisting of a Trust Unit and a Series A Warrant)

CMP Gold Trust (the "Trust") is a closed-end investment trust established under the laws of the Province of Ontario. This prospectus qualifies the distribution (the "Offering") of a minimum of 2,000,000 units and a maximum of 10,000,000 units (the "Units") of the Trust to be issued at a price of \$10.00 per Unit. Each Unit consists of one trust unit of the Trust (a "Trust Unit") and one series A trust unit purchase warrant (a "Series A Warrant"). The Trust Units and the Series A Warrants comprising the Units will immediately be separable upon issue. Each Series A Warrant will entitle the holder thereof, upon exercise of such Series A Warrant at an exercise price of \$12.00, to acquire one Trust Unit and one-half of one series B trust unit purchase warrant (each whole series B trust unit purchase warrant, a "Series B Warrant"). Each Series A Warrant will be exercisable in accordance with its terms on or after the closing date of the Offering (the "Closing Date") to and including the date that is the third anniversary of the Closing Date (the "Series A Warrant Expiry Date"). Series A Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series A Warrant Expiry Date will be void and of no value. Each whole Series B Warrant will entitle the holder thereof, upon exercise of such Series B Warrant at an exercise price of \$15.00, to acquire one Trust Unit. Each Series B Warrant will be exercisable in accordance with its terms on or prior to the date that is the fifth anniversary of the Closing Date (the "Series B Warrant Expiry Date"). Series B Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series B Warrant Expiry Date will be void and of no value. Series A Warrants and Series B Warrants are collectively referred to as "Warrants". No fractional Trust Units will be issued upon the exercise of any Warrant. No fractional Series B Warrant will be issued upon any exercise of Series A Warrants, and any entitlement to any fractional Series B Warrant will be terminated at the time of exercise of such Series A Warrants and no consideration will be payable in lieu thereof.

The Trust's investment objective is to provide holders of Trust Units ("Unitholders") with inflation protection, capital preservation and long-term capital appreciation through investment in a portfolio (the "Portfolio") consisting of Precious Metals and the securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers (as such terms are defined herein).

Investment opportunities will be identified and evaluated by the Trust's manager, Goodman & Company, Investment Counsel Ltd. (the "Manager"). The Manager is a leading Canadian investment firm tracing its portfolio management roots back 50 years and is also the manager of a variety of core and specialized funds, including Dynamic Funds™, CMP™ and Canada Dominion Resources limited partnerships and seven other closed-end investment trusts listed on the Toronto Stock Exchange (the "TSX"). The Manager has over \$26 billion in assets under management which includes over \$1.6 billion in resource-focused investment funds. The Trust's lead portfolio manager will be Ned Goodman, a highly regarded veteran of the investment industry.

Price: \$10.00 per Unit Minimum Purchase: 100 Units

	Price to the Public⁽¹⁾	Agents' Fee	Net Proceeds to the Trust⁽²⁾
Per Unit	\$10.00	\$0.60	\$9.40
Minimum Offering ⁽³⁾	\$20,000,000	\$1,200,000 ⁽⁴⁾	\$18,800,000
Maximum Offering	\$100,000,000	\$6,000,000 ⁽⁴⁾	\$94,000,000

Notes:

- (1) The price of the Units and the exercise price of the Warrants have been determined by negotiation between the Manager and the Agents (as hereinafter defined).
- (2) Before deducting the expenses of the Offering, estimated to be an aggregate of \$975,000, to be paid by the Trust from the proceeds of the Offering. The Manager has agreed to pay expenses incurred in connection with the Offering, excluding: (a) TSX listing fees, and (b) any and all GST payable on expenses incurred in connection with the Offering, that exceed 1.5% of the gross proceeds of the Offering. See "Use of Proceeds".
- (3) There will be no closing of the Offering unless a minimum of 2,000,000 Units are issued. If subscriptions for such minimum number of Units have not been received within 90 days following the date of issuance of a final receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those persons who have subscribed for Units on or before such date.
- (4) No Agents' fee will be payable on any acquisitions of Units by the Manager directly or indirectly through its parent company and/or its affiliates as described under "Participation of the Manager in the Offering".

There is currently no market through which the Trust Units and Warrants may be sold and purchasers may not be able to resell securities purchased under the prospectus.

The TSX has conditionally approved the listing of the Trust Units and the Warrants, subject to the Trust fulfilling all of the requirements of the TSX on or before February 18, 2008.

The Trust Units are not redeemable. The Trust does not have a fixed termination date. See “Termination of the Trust”.

From time to time, the Trust may, at the discretion of the Manager, choose to make distributions to Unitholders and, in any event, the Trust will make payable in each calendar year its income for tax purposes and capital gains to ensure that the Trust will not be liable for income tax under the *Income Tax Act* (Canada) (the “Tax Act”). These distributions may be in the form of either cash or additional Trust Units or any combination thereof.

An investment in the Units is subject to certain risks that should be considered by a prospective investor. See “Risk Factors”.

The Trust Units and Warrants will be qualified investments for a trust governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans (each, a “plan trust”) provided that the Trust qualifies, and continues at all times to qualify, as a “mutual fund trust” within the meaning of the Tax Act or the Trust Units are listed on the TSX (or other designated stock exchange), and, with respect to the Warrants only, the Trust deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under the governing plan of the plan trust. See “Eligibility for Investment”.

Although the Trust intends to qualify as a “mutual fund trust” within the meaning of the Tax Act, the Trust is not a “mutual fund” as defined in the securities legislation applicable in certain provinces and territories and is not required to comply with those requirements of Canadian securities laws that are applicable only to mutual funds. The Trust is not a trust company and, accordingly, the Trust is not registered under the trust company legislation of any jurisdiction as it does not carry on business as a trust company. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

Dundee Securities Corporation, CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Capital Corporation, GMP Securities L.P., HSBC Securities (Canada) Inc., Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc. and Wellington West Capital Inc. (collectively, the “Agents”) conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued and sold by the Trust, and delivered to and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters on behalf of the Trust by Stikeman Elliott LLP, and on behalf of the Agents by Ogilvy Renault LLP. See “Plan of Distribution”. **Dundee Securities Corporation, one of the Agents, is an affiliate (as defined in applicable Canadian securities legislation) of the Manager. Consequently, the Trust may be considered to be a “connected issuer” and/or a “related issuer” of Dundee Securities Corporation under applicable Canadian securities legislation. The decision of Dundee Securities Corporation to participate in the Offering was made independently of the Manager. Dundee Securities Corporation will receive no benefit in connection with the Offering other than receiving a portion of the Agents’ fees described under “Use of Proceeds”. See “Plan of Distribution”.**

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the Manager reserves the right to close the subscription books at any time without notice. Registration of interests in, and transfers and pledges of, the Trust Units and Warrants will be made through a book-based system administered by CDS Clearing and Depository Services Inc., except where the issuance of physical certificates evidencing ownership in such securities is necessary to deal with Warrant exercises and restricted and/or legended securities. Subject to the foregoing, beneficial owners will not receive physical certificates evidencing their ownership in the Trust Units and the Warrants. A purchaser of Units will receive a customer confirmation from the registered dealer from or through which the Units are purchased. See “Book-Based System”. The closing of the Offering is expected to occur on or about January 25, 2008 or such later date as the Manager and the Agents may agree, but in any event not later than January 31, 2008.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
GLOSSARY OF TERMS	4	USE OF PROCEEDS	45
FORWARD-LOOKING STATEMENTS ...	7	PLAN OF DISTRIBUTION	45
INFORMATION REGARDING PUBLIC SOURCES	7	RISK FACTORS	47
CURRENCY	7	Risks Related to the Investment Objective and Strategies	47
PROSPECTUS SUMMARY	8	Risks Related to Use of Leverage and Derivatives	48
CMP GOLD TRUST	15	Risks Related to Governance or Regulation	49
BUSINESS OF THE TRUST	15	Risks Associated with the Performance of Securities in the Portfolio	51
Investment Objective	15	Other Risks Related to Investing in the Trust	52
Rationale for the Trust	15	CONFLICTS OF INTEREST	53
Investment Strategies	23	The Manager	53
Investment Restrictions	24	The Trustee	54
MANAGEMENT OF THE TRUST	25	CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	54
The Manager	25	Taxation of the Trust	55
Historical Performance of Other Resource Funds of the Manager	27	Taxation of Unitholders	56
TRUST GOVERNANCE	29	Warrants	57
Directors and Certain Officers of the Manager	29	ELIGIBILITY FOR INVESTMENT	57
Code of Ethics and Standards of Professional Responsibility	30	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	57
Policies and Practices	30	LEGAL MATTERS	57
Policies on Proxy Voting	30	LEGAL PROCEEDINGS	57
Board of Governors	31	MATERIAL CONTRACTS	58
Independent Review Committee	32	THE PROMOTER	58
THE TRUSTEE	33	PARTICIPATION OF THE MANAGER IN THE OFFERING	58
THE CUSTODIAN	33	AUDITORS	58
SUMMARY OF THE MANAGEMENT AGREEMENT	33	REGISTRAR AND TRANSFER AGENT AND WARRANT AGENT	58
DETERMINATION OF NET ASSET VALUE OF THE TRUST	36	PURCHASERS' STATUTORY RIGHTS ...	58
DESCRIPTION OF TRUST UNITS	38	AUDITORS' CONSENT	59
DESCRIPTION OF WARRANTS	39	AUDITORS' REPORT	60
DISTRIBUTION POLICY	41	STATEMENT OF NET ASSETS	61
MARKET PURCHASES	41	NOTES TO STATEMENT OF NET ASSETS	62
BOOK-BASED SYSTEM	42	CERTIFICATE OF THE TRUST AND THE PROMOTER	C-1
UNITHOLDER MATTERS	42	CERTIFICATE OF THE AGENTS	C-2
Meetings of Unitholders	42		
Acts Requiring Unitholder Approvals ...	42		
Amendments to the Declaration of Trust Without Unitholder Consent	43		
Reporting to Unitholders	43		
Non-Resident Unitholders	44		
TERMINATION OF THE TRUST	44		

GLOSSARY OF TERMS

“**Adjusted NAV per Trust Unit**” means, for any particular Qualifying Year, the NAV per Trust Unit on the last day of such Qualifying Year, before giving effect to any distributions by the Trust since the Highest Prior Year, without giving effect to the accrual of any Management Incentive Fee and adjusted to exclude any dilutive effects of Warrants exercised since the Highest Prior Year.

“**Agency Agreement**” means the agency agreement dated as of December 20, 2007 among the Trust, the Manager and the Agents.

“**Agents**” means collectively, Dundee Securities Corporation, CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Capital Corporation, GMP Securities L.P., HSBC Securities (Canada) Inc., Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc. and Wellington West Capital Inc.

“**Business Day**” means any day on which the TSX is open for business.

“**Canada Dominion Resources Group**” means the companies and limited partnerships indirectly controlled by DundeeWealth Inc. that use or include the name “Canada Dominion” and are involved in investing in shares that are “flow-through shares” as defined in subsection 66(15) of the Tax Act.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CDS Participants**” means participants in CDS.

“**Closing Date**” means the closing date of the Offering.

“**CMP Group**” means the companies and limited partnerships indirectly controlled by DundeeWealth Inc. that use or include the trademark “CMP” and are involved in investing in shares that are “flow-through shares” as defined in subsection 66(15) of the Tax Act, including the CMP Partnerships.

“**CMP Partnerships**” means certain limited partnerships managed by the Manager, each of which has used or uses the trademark “CMP” and which is involved in investing in shares that are “flow-through shares” as defined in subsection 66(15) of the Tax Act.

“**CRA**” means Canada Revenue Agency.

“**Custodian**” means State Street Trust Company Canada.

“**Custodian Agreement**” means the amended and restated master custodian agreement dated as of April 27, 2004 among the Custodian, the Manager and the Trustee and the instrument of accession thereto dated as of December 20, 2007 between the Custodian and the Trust.

“**Declaration of Trust**” means the declaration of trust dated as of December 20, 2007 establishing the Trust.

“**Diluted NAV per Trust Unit**” means, on any particular date of determination, the NAV of the Trust on such date plus the net proceeds that would have been received by the Trust if all outstanding Warrants of the Trust were exercised on such date, divided by the number of Trust Units outstanding on such date plus the additional Trust Units that would be outstanding if all of the outstanding Warrants had been exercised on such date.

“**Dundee**” means Dundee Corporation.

“**Dundee Resources**” means Dundee Resources Limited, a wholly-owned subsidiary of Dundee.

“**ETFs**” means exchange traded funds.

“**GDP**” means gross domestic product.

“**Gold**” means gold in the form of bullion, coins and storage receipts representing the same (or such other instruments as the Manager may elect to acquire from time to time).

“**Highest NAV per Trust Unit**” means, with respect to any particular Qualifying Year, the NAV per Trust Unit on the last day of the fiscal year in which the High Water Mark was established, unless such High Water Mark was

established in 2008, in which case the “**Highest NAV per Trust Unit**” shall mean the greater of: (a) the Initial NAV per Trust Unit; and (b) the NAV per Trust Unit on December 31, 2008.

“**Highest Prior Year**” means, for any particular Qualifying Year, the last fiscal year in which the Highest NAV per Trust Unit was established.

“**High Water Mark**” means the greater of: (a) the Initial NAV per Trust Unit; (b) the NAV per Trust Unit on December 31, 2008; (c) the NAV per Trust Unit on the last day of the most recent Qualifying Year in which a Management Incentive Fee was payable after giving effect to all distributions and accruals of the Management Incentive Fee in such Qualifying Year; and (d) the NAV per Trust Unit on the last day of any fiscal year subsequent to the last Qualifying Year in which a Management Incentive Fee was payable before giving effect to all distributions and adjusted to exclude any dilutive effects of Warrants exercised since the last Qualifying Year.

“**Initial NAV per Trust Unit**” means the NAV per Trust Unit immediately following the Closing Date which, for greater certainty, is equal to the Unit Price less Agents’ fees and all costs and expenses associated with the Offering (all determined on a per Trust Unit basis).

“**Loan Facility**” means a loan facility which may be entered into after the closing of the Offering by the Manager on behalf of the Trust, pursuant to which the Trust may from time to time borrow funds, provided that the aggregate outstanding principal amount of all such borrowings (other than in the ordinary course related to settlements of its positions in Precious Metals or securities) does not exceed 25% of NAV, determined with respect to each borrowing as at the close of business on the date immediately prior to the date of such borrowing.

“**Management Agreement**” means the management agreement dated as of December 20, 2007 between the Manager and the Trustee.

“**Management Fee**” means the monthly management fee payable to the Manager in respect of each month in each fiscal year of the Trust that is equal to one-twelfth of 2.0% of NAV for such month, plus applicable taxes.

“**Management Incentive Fee**” means, in respect of any particular Qualifying Year, the performance bonus that the Trust will pay to the Manager as described in this prospectus under the heading “Summary of the Management Agreement — Management Incentive Fee”.

“**Manager**” means Goodman & Company, Investment Counsel Ltd.

“**Minerals Issuer**” means an issuer, other than a Precious Metals Issuer, engaged in the exploration for or development, production or marketing of metals or minerals other than precious metals.

“**Minerals Related Issuer**” means an issuer whose primary business is to provide services or materials to Minerals Issuers.

“**NAV**” or “**Net Asset Value**” means the net asset value of the Trust.

“**NAV per Trust Unit**” means, as of any particular time of determination, the quotient obtained by dividing the NAV by the total number of Trust Units issued and outstanding at such time.

“**NI 81-106**” means National Instrument 81-106 — *Investment Fund Continuous Disclosure*.

“**NI 81-107**” means National Instrument 81-107 — *Independent Review Committee for Investment Funds*.

“**Offering**” means the offering of a minimum of 2,000,000 Units and a maximum of 10,000,000 Units at the Unit Price, as contemplated in this prospectus.

“**Portfolio**” means the portfolio of the Trust, consisting of Precious Metals and the securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers.

“**Portfolio Securities**” means the securities comprising the Portfolio.

“**precious metals**” means gold, silver, platinum and palladium.

“**Precious Metals**” means any precious metals in the form of bullion, coins and storage receipts representing the same (or such other instruments as the Manager may elect to acquire from time to time).

“**Precious Metals Issuers**” means issuers engaged in the exploration for or development, production or marketing of precious metals, and for greater certainty, includes ETFs relating to Precious Metals.

“**Qualifying Year**” means a fiscal year of the Trust in which the Adjusted NAV per Trust Unit on the last day of such fiscal year is at least 108%, pro rated in the case of any partial fiscal year, of the NAV per Trust Unit on the last day of the immediately preceding fiscal year, before giving effect to all distributions and adjusted to exclude the dilutive effects of Warrants exercised since the Highest Prior Year.

“**Series A Warrant**” means a series A trust unit purchase warrant issued on the Closing Date.

“**Series A Warrant Expiry Date**” means the date that is the third anniversary of the Closing Date.

“**Series B Warrant**” means a series B trust unit purchase warrant that is comprised of two one-half Series B trust unit purchase warrants.

“**Series B Warrant Expiry Date**” means the date that is the fifth anniversary of the Closing Date.

“**Service Fee**” means a service fee payable to the Manager by the Trust as described under the heading “Summary of the Management Agreement — Service Fee”.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**tonne**” means 1.102 short tons (or 2,000 pounds).

“**Trust**” means CMP Gold Trust.

“**Trust Unit**” means one non-redeemable, transferable trust unit of the Trust.

“**Trustee**” means Goldman & Company, Investment Counsel Ltd.

“**TSX**” means the Toronto Stock Exchange.

“**Unit**” means one Trust Unit and one Series A Warrant.

“**Unit Price**” means \$10.00 per Unit.

“**Unitholders**” means holders of Trust Units.

“**Warrant**” means a Series A Warrant or a Series B Warrant, as applicable, and “**Warrants**” means, collectively, the Series A Warrants and the Series B Warrants.

“**Warrant Agent**” means Computershare Trust Company of Canada.

“**Warrant Expiry Time**” means, with respect to the Series A Warrants, 5:00 p.m. (Toronto time) on the Series A Warrant Expiry Date and, with respect to the Series B Warrants, 5:00 p.m. (Toronto time) on the Series B Warrant Expiry Date.

FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are “forward-looking statements”, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Trust or the Manager (each as herein defined). Potential investors and other readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on them. The forward-looking statements are not historical facts but reflect the current expectations of the Manager regarding the Trust’s future growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect the Manager’s current beliefs and are based on information currently available to the Manager. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Some of these risks, uncertainties and other factors are described in this prospectus under the heading “Risk Factors”. Although the forward-looking statements contained in this prospectus are based upon assumptions that the Trust and the Manager believe to be reasonable, neither the Trust nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this prospectus, and neither the Trust nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances.

INFORMATION REGARDING PUBLIC SOURCES

Certain information contained in this prospectus was obtained from public sources. None of the Manager, the Trust or the Agents has independently verified the accuracy or completeness of any such information nor assumes any responsibility for the completeness or accuracy of such information.

CURRENCY

In this prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, references to “\$” are to Canadian dollars and references to “US\$” are to American dollars.

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. Certain terms used in this summary are defined in the Glossary of Terms.

The Offering

Issuer:	CMP Gold Trust (the “Trust”) is a closed-end investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust.
Offering:	An offering of units of the Trust (the “Units”), where each Unit will consist of one trust unit of the Trust (a “Trust Unit”) and one series A trust unit purchase warrant (a “Series A Warrant”). The Trust Units and Series A Warrants comprising the Units will immediately be separable upon issue. Each Series A Warrant will entitle the holder thereof, upon exercise of such Series A Warrant at an exercise price of \$12.00, to acquire one Trust Unit and one-half of one series B trust unit purchase warrant (each whole series B trust unit purchase warrant, a “Series B Warrant”). Each Series A Warrant will be exercisable in accordance with its terms on or after the closing date of the Offering (the “Closing Date”) to and including the date that is the third anniversary of the Closing Date (the “Series A Warrant Expiry Date”). Series A Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series A Warrant Expiry Date will be void and of no value. Each whole Series B Warrant will entitle the holder thereof, upon exercise of such Series B Warrant at an exercise price of \$15.00, to acquire one Trust Unit. Each Series B Warrant will be exercisable in accordance with its terms on or prior to the date that is the fifth anniversary of the Closing Date (the “Series B Warrant Expiry Date”). Series B Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series B Warrant Expiry Date will be void and of no value. Series A Warrants and Series B Warrants are collectively referred to as “Warrants”. No fractional Trust Units will be issued upon the exercise of any Warrant. No fractional Series B Warrant will be issued upon any exercise of Series A Warrants, and any entitlement to any fractional Series B Warrant will be terminated at the time of exercise of such Series A Warrants and no consideration will be payable in lieu thereof. See “Plan of Distribution” and “Description of Warrants”.
Amount of Offering:	Minimum: \$20,000,000 (2,000,000 Units). Maximum: \$100,000,000 (10,000,000 Units).
Unit Price:	\$10.00 per Unit.
Minimum Purchase:	\$1,000 (100 Units).
TSX:	The TSX has conditionally approved the listing of the Trust Units and the Warrants, subject to the Trust fulfilling all of the requirements of the TSX on or before February 18, 2008.
Use of Proceeds:	The net proceeds of the Offering will be invested by the Trust to establish the Portfolio in accordance with the investment objective, investment strategies and investment restrictions of the Trust.
Investment Objective:	The Trust’s investment objective is to provide Unitholders with inflation protection, capital preservation and long-term capital appreciation through investment in a portfolio (the “Portfolio”) consisting of Precious Metals and the securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers. Investment opportunities will be identified and evaluated by the Manager. See “Business of the Trust — Investment Objective”.

Rationale for the Trust:

The Manager (as defined below) believes that the Trust offers an attractive investment opportunity based on its expectations that: (a) gold (and other precious metals) will appreciate for an extended period of time; (b) the Portfolio will benefit from appreciating prices of both bullion and Precious Metals Issuers; (c) investment in issuers engaged in exploration and development activities will enhance Portfolio returns as new discoveries and the commercialization of new mining projects offer long-term investors opportunities for capital appreciation; (d) the rigorous due diligence process of the Manager will reduce the risk associated with investments in issuers engaged in early-stage exploration and development activities; (e) the non-redeemable nature of the Trust Units will enable the Trust to remain fully invested and also allow the Manager to make investments in illiquid securities and capitalize on merchant banking opportunities; and (f) the inclusion of Minerals Issuers and Minerals Related Issuers in the Portfolio will enhance diversification and provide access to additional investment opportunities. See “Business of the Trust — Rationale for the Trust”.

Investment Strategies:

The Trust will employ actively managed investment strategies that are intended to enhance returns, reduce risk and allow the Manager to take advantage of investments in illiquid securities and merchant banking opportunities. In doing so, the Manager may utilize leverage, including borrowing, purchasing securities on margin and taking short sale positions in respect of securities. The Trust may borrow or lend Precious Metals.

In managing the Portfolio, the Manager intends to: (a) invest initially at least 75% (based on cost) of the Trust’s total assets (other than cash and cash equivalents) in Precious Metals and securities of Precious Metals Issuers, with a focus on gold; (b) diversify the Portfolio among Precious Metals and securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers; (c) diversify the Portfolio among: junior, intermediate and senior issuers; issuers engaged in varying stages of exploration, development and production activities; different countries; securities of public and private issuers, including flow-through shares and illiquid securities; and merchant banking opportunities; and (d) make investments in flow-through shares to reduce taxation to Unitholders. See “Business of the Trust — Investment Strategies”.

Manager:

Goodman & Company, Investment Counsel Ltd. is the manager of the Trust (the “Manager”) and will be responsible for managing all of the Trust’s activities, including the asset allocation and securities selection for the Portfolio. The Manager intends to acquire, directly or indirectly through its parent company and/or affiliates, 500,000 Units for an aggregate purchase price of \$5,000,000.

The Manager is a leading Canadian investment firm tracing its portfolio management roots back 50 years and is also the manager of a variety of core and specialized funds, including Dynamic Funds™, CMP™ and Canada Dominion Resources limited partnerships and seven other closed-end investment trusts listed on the TSX. As at December 14, 2007, the Manager had over \$26 billion in assets under management which included over \$1.6 billion in resource-focused investment funds.

The Trust and the Manager entered into a management agreement (the “Management Agreement”) dated as of December 20, 2007. Pursuant to the Management Agreement, the Manager is entitled to retain sub-advisors to provide investment advisory and portfolio management services to the

Trust pursuant to investment sub-advisory agreements to be entered into among the Manager, the Trust and such sub-advisors.

The Trust will be managed by a portfolio management team of the Manager led by Ned Goodman.

The Manager has retained Dundee Resources to provide commodity and technical expertise and due diligence services on potential investments of the Trust. Dundee Resources, an affiliate of the Manager and a wholly-owned subsidiary of Dundee, carries out Dundee's resource-focused merchant banking activities. Ned Goodman is the Executive Chairman and Murray John is the President and Chief Executive Officer of Dundee Resources. Ned Goodman is also the chairman of the general partners in the CMP Group, and Murray John is also the President, Chief Executive Officer and a director of the general partners in the CMP Group.

The Manager has also retained Dr. Martin Murenbeeld, chief economist of DundeeWealth Economics™, a division of DundeeWealth Inc., to provide commodity expertise to the Trust, particularly with respect to gold.

See "Management of the Trust", "Summary of the Management Agreement" and "Participation of the Manager in the Offering".

Historical Performance of Other Resource Funds of the Manager:

The Manager does not manage any other investment funds with investment objectives and restrictions that are identical to those of the Trust. However, the Manager intends to use substantially the same investment methodology in managing the Trust as it does for the Dynamic Precious Metals Fund, Dynamic Focus+ Resource Fund, DMP Resource Class and the CMP Partnerships. The historical performances of these other resource-focused investment funds managed by the Manager are listed in the tables set forth under the heading "Management of the Trust — Historical Performance of Other Resource Funds of the Manager". **The historical performance of these other resource-focused funds is not indicative of the performance of the Trust and is provided only to illustrate the experience and historic investment returns obtained by the Manager for other resource-focused investment funds managed by the Manager.**

Distributions:

From time to time, the Trust may, at the discretion of the Manager, make distributions to Unitholders and, in any event, the Trust will make payable in each calendar year its income for tax purposes and capital gains to ensure that the Trust will not be liable for income tax under the Tax Act. These distributions may be in the form of either cash or additional Trust Units or any combination thereof. If distributions are made in Trust Units, a Unitholder's Canadian tax liability may be increased by an amount in excess of the cash, if any, distributed to the Unitholder. See "Distribution Policy".

Foreign Currency and Foreign Currency Hedging:

The Portfolio may be exposed to securities traded in foreign currencies. The Manager may use derivatives to hedge all or a portion of the Trust's non-Canadian dollar currency value back to the Canadian dollar. See "Business of the Trust — Investment Strategies — Foreign Currency and Foreign Currency Hedging".

Market Purchases:

Subject to applicable law, the Trust may at any time purchase Trust Units for cancellation at prices not exceeding the most recently calculated NAV per Trust Unit and on such terms and conditions as the Manager may determine.

Termination:

The Trust does not have a fixed termination date. See "Termination of the Trust".

Loan Facility:

The Trust is authorized to borrow money to make investments, maintain liquidity and provide cover for the writing of options, and to pledge its assets

to secure the borrowings, all in accordance with its investment objective, investment strategies and investment restrictions. After the Closing Date, the Manager, on behalf of the Trust, may enter into a loan facility (the “Loan Facility”) which would permit the Trust to borrow funds from time to time in such amount as the Manager determines appropriate, provided that the aggregate outstanding principal amount of all such borrowings shall not exceed 25% of NAV, as determined at the close of business on the date immediately prior to the time of any particular borrowing. The interest rate, fees and expenses under the Loan Facility are expected to be generally consistent with market terms offered for similar credit facilities of this nature at the time at which the Loan Facility is established. No assurance can be given that the Loan Facility will be available on terms acceptable to the Manager at the time the Trust intends to borrow. See “Investment Strategies — Other Strategies — Leverage”.

Trustee: Goodman & Company, Investment Counsel Ltd. is the trustee of the Trust. See “The Trustee”.

Custodian: State Street Trust Company Canada is the custodian of the assets of the Trust. See “The Custodian”.

Registrar and Transfer Agent: Computershare Investor Services Inc. is the registrar and transfer agent of the Trust with respect to the Trust Units. See “Registrar and Transfer Agent and Warrant Agent”.

Warrant Agent: Computershare Trust Company of Canada will be the warrant agent of the Trust with respect to the Warrants. See “Registrar and Transfer Agent and Warrant Agent”.

Eligibility for Investment: The Trust Units and Warrants will be qualified investments for a trust governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans (each, a “plan trust”) provided that the Trust qualifies, and continues at all times to qualify, as a “mutual fund trust” within the meaning of the Tax Act or the Trust Units are listed on the TSX (or other designated stock exchange), and, with respect to the Warrants only, the Trust deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under the governing plan of the plan trust. See “Eligibility for Investment”.

Canadian Federal Income Tax Considerations: A Unitholder will generally be required to include in computing income for a taxation year that part of the net income, including the taxable portion of the net realized capital gains, of the Trust, if any, that is paid or becomes payable to the Unitholder by the Trust in that year. To the extent that amounts payable to a Unitholder who is an individual are designated as taxable dividends received or deemed to be received on shares of taxable Canadian corporations or taxable capital gains, such amounts will generally retain their character in the hands of Unitholders. A Unitholder who disposes of Trust Units held as capital property (on redemption or otherwise) will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of the Trust Units exceed (or are less than) the aggregate of the adjusted cost base of such Trust Units and any reasonable costs of disposition.

Distributions by the Trust to a Unitholder in excess of the Unitholder’s share of the Trust’s net income and net realized capital gains will reduce the adjusted cost base of the Unitholder’s Trust Units. To the extent that the adjusted cost base of a Trust Unit held as capital property would otherwise be less than zero, the Unitholder will be deemed to have realized a capital gain

equal to that negative amount and the adjusted cost base of the Trust Unit to the Unitholder will be increased by the amount of such deemed capital gain. The exercise of a Warrant will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized upon the exercise of a Warrant. A Unitholder who holds Warrants as capital property will, upon the disposition of a Warrant other than pursuant to the exercise thereof, realize a capital gain (or capital loss) in the taxation year of the Unitholder in which the disposition occurs to the extent that the proceeds of disposition of the Warrants, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Warrant to the Unitholder. See “Canadian Federal Income Tax Considerations”.

Risk Factors:

An investment in the Units involves certain risk factors, which should be considered by a prospective purchaser, including:

- (i) **Risks Relating to Investment Objective and Strategies**
 - Industry concentration
 - Price volatility of metals and minerals and currency fluctuations
 - Risks associated with investments in smaller issuers and private issuers
 - Debt securities
- (ii) **Risks and Potential Losses Related to Use of Leverage and Derivatives**
 - Short sale equity positions
 - Leverage and the Loan Facility
 - Counterparty risk
 - Options, futures and other derivative transactions
 - Margined securities
- (iii) **Risks Related to Governance or Regulation**
 - Reliance on the Manager
 - Conflicts of interest
 - Changes in legislation and administrative policy
 - Taxation of the Trust
 - Minimum distribution requirements
- (iv) **Risks Associated with the Performance of Securities in the Portfolio**
 - Exploration and mining risks
 - No assurance of title or boundaries, or of access
 - Illiquid Assets
 - Foreign country risk
 - Government regulation
 - Environmental regulation
 - Composition of the Portfolio
 - Recession risk
 - Interest rate fluctuations
- (v) **Other Risks Related to Investing in the Trust**
 - No assurance of achieving investment objective
 - No guaranteed return
 - No operating history of the Trust and absence of prior public market for the Trust Units or Warrants
 - Quoted market price of the Trust Units may not reflect NAV
 - Additional fees related to investments made by the Portfolio in closed-end funds

See “Risk Factors”.

Summary of Fees and Expenses Payable by the Trust and the Manager

The following table contains a summary of the fees and expenses payable by the Trust and by the Manager. For further particulars, see “Summary of the Management Agreement”.

	<u>Description</u>
Fees Payable to the Agents:	\$0.60 per Unit (6% of the Unit Price).
Expenses of Issue:	In addition to the Agents’ fees, the Trust will pay the expenses of the Offering, estimated to be \$975,000. The Manager has agreed to pay expenses incurred in connection with the Offering, excluding: (a) TSX listing fees, and (b) any and all GST payable on expenses incurred in connection with the Offering, that exceed 1.5% of the gross proceeds of the Offering.
Management Fee:	The Trust will pay a monthly management fee (the “Management Fee”) to the Manager in respect of each month in each fiscal year of the Trust that is equal to one-twelfth of 2.0% of NAV for such month, plus applicable taxes, provided that prior to January 1, 2013, the Manager will pay the Service Fee, as described in this summary under the heading “Service Fee”. The Management Fee in respect of any particular month will be determined in accordance with the Declaration of Trust, based upon the NAV on the last day of such month and shall be payable at the beginning of the next succeeding month. The Management Fee may, at the option of the Manager, be paid in cash or in Trust Units, or a combination thereof. To the extent that Trust Units are issued from treasury in respect of the payment of such Management Fee for any particular month, the Trust Units will be valued at NAV, determined on the last day of such month. See “Summary of the Management Agreement”.
Management Incentive Fee:	<p>The Trust will pay to the Manager a performance bonus (the “Management Incentive Fee”) in respect of each fiscal year of the Trust (a “Qualifying Year”) in which the Adjusted NAV per Trust Unit on the last day of such fiscal year is at least 108%, pro rated in the case of any partial fiscal year, of the NAV per Trust Unit on the last day of the immediately preceding fiscal year, before giving effect to all distributions and adjusted to exclude the dilutive effects of Warrants exercised since the Highest Prior Year. The Management Incentive Fee payable in respect of any Qualifying Year shall be equal to: (a) 20% of the amount by which the Adjusted NAV per Trust Unit on the last day of such Qualifying Year exceeds the Highest NAV per Trust Unit, multiplied by (b) the average daily number of Trust Units outstanding during such Qualifying Year. The Management Incentive Fee in respect of any particular Qualifying Year shall be estimated and accrued on each valuation date and shall be finally determined and paid within 30 Business Days after the end of such Qualifying Year.</p> <p>For the purposes of the foregoing:</p> <p>“Adjusted NAV per Trust Unit” means, for any particular Qualifying Year, the NAV per Trust Unit on the last day of such Qualifying Year, before giving effect to any distributions by the Trust since the Highest Prior Year, without giving effect to the accrual of any Management Incentive Fee and adjusted to exclude any dilutive effects of Warrants exercised since the Highest Prior Year.</p>

“Initial NAV per Trust Unit” means the NAV per Trust Unit immediately following the Closing Date which, for greater certainty, is equal to the Unit Price less Agents’ fees and all costs and expenses associated with the Offering (all determined on a per Trust Unit basis).

“NAV per Trust Unit” means, as of any particular time of determination, the quotient obtained by dividing the NAV by the total number of Trust Units issued and outstanding at such time.

“Highest NAV per Trust Unit” means, with respect to any particular Qualifying Year, the NAV per Trust Unit on the last day of the fiscal year in which the High Water Mark was established, unless such High Water Mark was established in 2008, in which case the “Highest NAV per Trust Unit” shall mean the greater of: (a) the Initial NAV per Trust Unit; and (b) the NAV per Trust Unit on December 31, 2008.

“Highest Prior Year” means, for any particular Qualifying Year, the last fiscal year in which the Highest NAV per Trust Unit was established.

“High Water Mark” means the greater of: (a) the Initial NAV per Trust Unit; (b) the NAV per Trust Unit on December 31, 2008; (c) the NAV per Trust Unit on the last day of the most recent Qualifying Year in which a Management Incentive Fee was payable after giving effect to all distributions and accruals of the Management Incentive Fee in such Qualifying Year; and (d) the NAV per Trust Unit on the last day of any fiscal year subsequent to the last Qualifying Year in which a Management Incentive Fee was payable before giving effect to all distributions and adjusted to exclude any dilutive effects of Warrants exercised since the last Qualifying Year.

Service Fee:

For each fiscal quarter of the Trust ending prior to January 1, 2013, the Manager will pay a service fee (the “Service Fee”), plus applicable taxes, to each full service registered dealer. The Service Fee will be equal to one-quarter of 0.4% of: (a) the NAV per Trust Unit calculated as of the last day of the applicable fiscal quarter, multiplied by (b) the aggregate number of Trust Units held by all clients of such full service registered dealer as of the last day of such fiscal quarter.

Ongoing Expenses of the Trust:

In addition to the foregoing, the Trust will pay all expenses incurred in connection with its operation and administration, currently estimated to be \$300,000 per annum, certain of which expenses shall be payable to the Manager for certain continuous disclosure and other ongoing expenses.

CMP GOLD TRUST

Organization

The Trust is a closed-end investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Trust is administered and managed by Goodman & Company, Investment Counsel Ltd., in its capacity as the manager of the Trust and in its capacity as trustee of the Trust. The fiscal year end of the Trust is December 31. The principal office of the Trust and the Manager is located at Dundee Place, 1 Adelaide Street East, 29th Floor, Toronto, Ontario, M5C 2V9.

The beneficial interest in the net assets and net income of the Trust is divided into non-redeemable, transferable trust units (the “Trust Units”). Each Trust Unit is entitled to one vote and to participate equally with all other Trust Units in all payments made to Unitholders out of the Trust’s assets. See “Description of Trust Units”.

Although the Trust intends to qualify as a “mutual fund trust” within the meaning of the Tax Act, the Trust is not a “mutual fund” as defined in the securities legislation applicable in certain provinces and territories and is not required to comply with those requirements of Canadian securities laws that are applicable only to mutual funds.

BUSINESS OF THE TRUST

Investment Objective

The Trust’s investment objective (the “Investment Objective”) is to provide Unitholders with inflation protection, capital preservation and long-term capital appreciation through investment in a portfolio (the “Portfolio”) consisting of Precious Metals and the securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers. Investment opportunities will be identified and evaluated by the Manager. The Portfolio will be managed subject to the Investment Strategies and the Investment Restrictions (each defined below). Any change to the Investment Objective requires Unitholder approval. See “Unitholder Matters”.

Rationale for the Trust

The Manager believes that the Trust offers an attractive investment opportunity based on its expectations that:

- (a) gold (and other precious metals) will appreciate for an extended period of time (see “— Gold Market Conditions”);
- (b) the Portfolio will benefit from appreciating prices of both bullion and Precious Metals Issuers;
- (c) investment in issuers engaged in exploration and development activities will enhance Portfolio returns as new discoveries and the commercialization of new mining projects offer long-term investors opportunities for capital appreciation;
- (d) the rigorous due diligence process of the Manager will reduce the risk associated with investments in issuers engaged in early-stage exploration and development activities;
- (e) the non-redeemable nature of the Trust Units will enable the Trust to remain fully invested and also allow the Manager to make investments in illiquid securities and capitalize on merchant banking opportunities; and
- (f) the inclusion of Minerals Issuers and Minerals Related Issuers in the Portfolio will enhance diversification and provide access to additional investment opportunities.

Gold Market Conditions

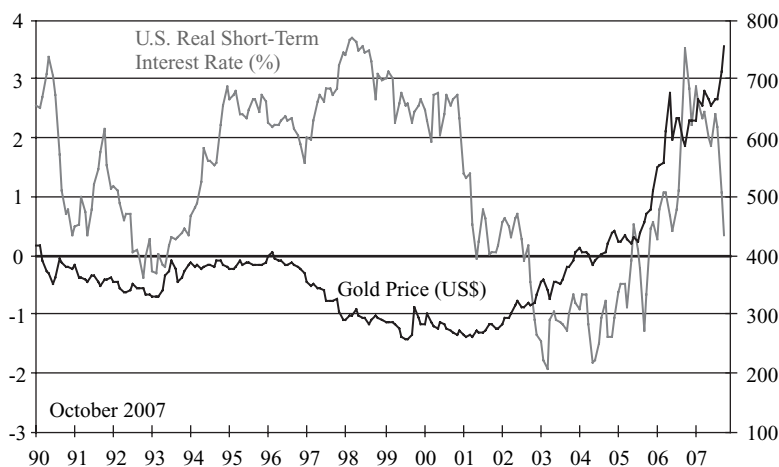
Based on the views of Dr. Martin Murenbeeld at DundeeWealth Economics™, a division of DundeeWealth Inc., and publicly available information, the Manager believes that both the short term and long-term macro-economic environment is positive for gold and other precious metals (see “— Other Precious Metals Market Conditions”) for the reasons set forth below:

1. Monetary Reflation and Rising Money Supply

Monetary reflation encompasses monetary policies designed to arrest deflationary pressures on goods and services as well as on assets. Such policies include lowering real (inflation-adjusted) interest rates and increasing the growth rate of money supply.

The Manager believes that the foreseeable economic and financial environment will require periods of monetary reflation in the U.S. and abroad. In the U.S., real short-term interest rates have recently started to decline again, as the United States Federal Reserve attempts to soften the economic impact of a slowing housing market and the current lack of liquidity as a result of the subprime and asset-backed commercial paper market crisis. The gold price has historically correlated negatively with real interest rates.

U.S.\$ Gold Price versus Real U.S. Short-Term Interest Rates

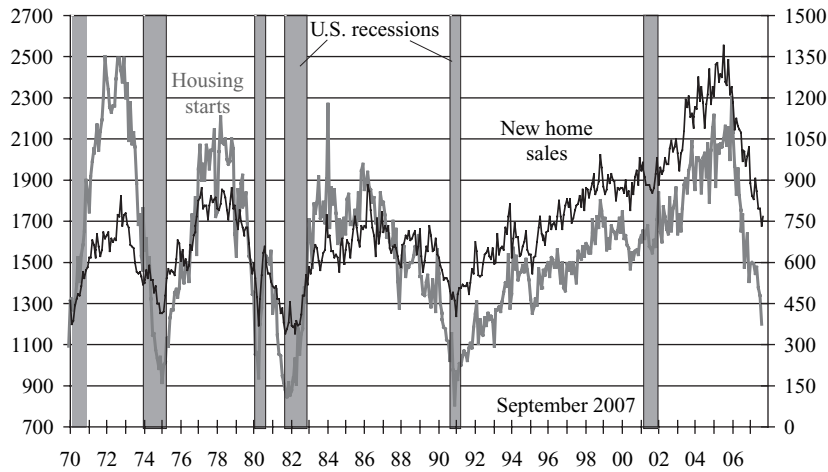


Source: DundeeWealth Economics

Data Sources: 3-month T-bill — U.S. Federal Reserve; CPI — U.S. Bureau of Labor Statistics; Gold price — London Bullion Market Association

The Manager believes that the relatively fragile state of the U.S. housing sector and the U.S. financial markets, along with similar conditions in foreign economies, will continue to encourage monetary reflation in the U.S. and abroad.

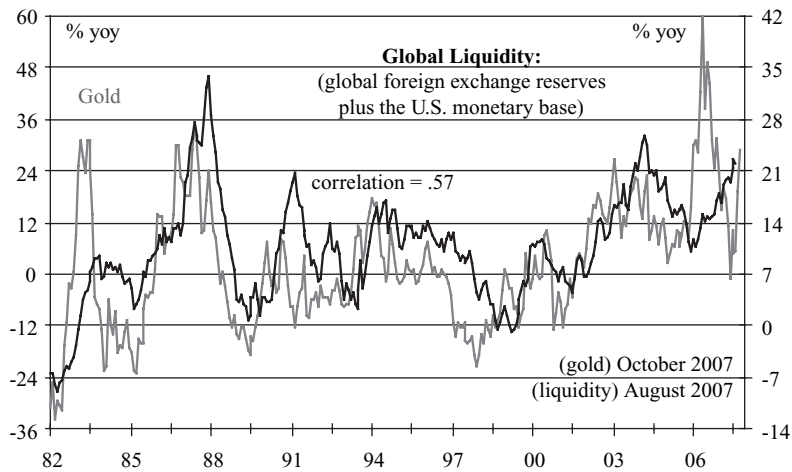
U.S. Housing Starts and New Home Sales
(thousands, seasonally adjusted at annual rates)



Source: DundeeWealth Economics
Data Source: U.S. Census Bureau

The growth of world liquidity, defined by the Manager as global foreign exchange reserves plus the U.S. monetary base, is positively correlated with the price of gold. The Manager believes that world liquidity will continue to rise at elevated rates in an environment that requires periods of monetary reflation.

Gold and Global Liquidity



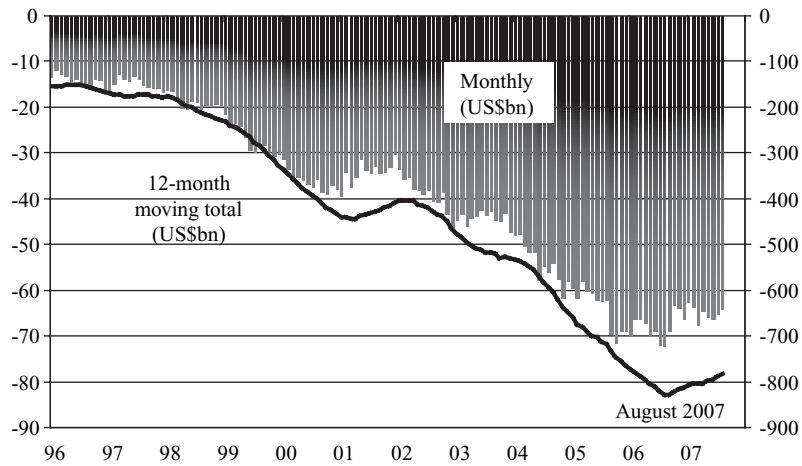
Source: DundeeWealth Economics
Data Sources: Foreign exchange reserves — International Monetary Fund; U.S. monetary base — U.S. Federal Reserve; Gold price — London Bullion Market Association

2. U.S. Dollar Weakness

Historically, gold tends to rise in U.S. dollar terms when the U.S. dollar weakens. Despite an approximate 30% fall from its 2001 peak, the Manager believes the U.S. dollar is likely to continue declining because of a continuing U.S. trade imbalance with the rest of the world. The Manager believes the imbalance is driven by,

among other things, undervalued Asian currencies (notably the Chinese Renminbi), high U.S. dollar oil prices and insufficient foreign consumer demand.

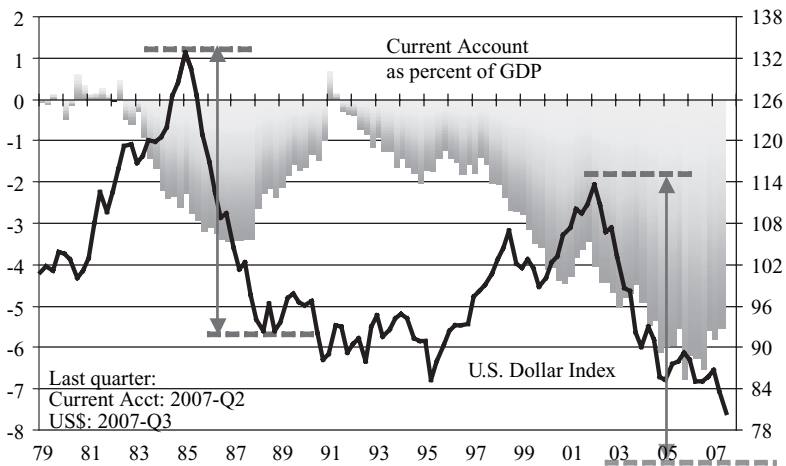
U.S. Trade Balance with the Rest of World



Source: DundeeWealth Economics
 Data Source: U.S. Census Bureau foreign trade statistics

During the last U.S. dollar decline in the mid-to-late 1980s, the U.S. current account deficit was approximately 3% of U.S. GDP. The current account deficit has risen to 6% of U.S. GDP, and the U.S. dollar has not yet declined as much as it did in the mid-to-late 1980s. Accordingly, the Manager believes that the dollar may decline further which is likely to add support to rising U.S. dollar gold prices.

The U.S. Dollar Index and U.S. Current Account Balance

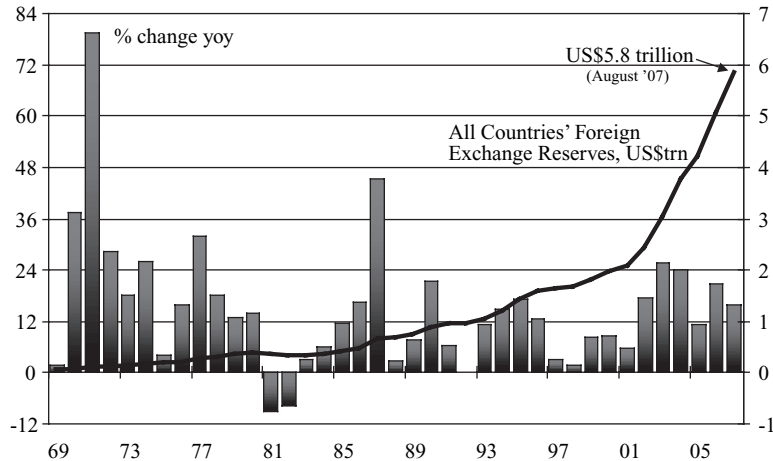


Source: DundeeWealth Economics
 Data Sources: Current account — U.S. Bureau of Economic Analysis; U.S. dollar index — DundeeWealth Economics calculations based on a basket including the Canadian dollar, Japanese yen, Euro and U.K. pound sterling

3. Foreign Exchange Reserves

Foreign exchange reserves continue to rise. The central banks acquiring U.S. dollar reserves have begun to diversify these funds through investment in other currencies, and in foreign equities, commodities and other non-debt assets. The Manager believes that this reinvestment of foreign exchange reserves is likely to continue for years to come and that it is expected to benefit gold directly and indirectly.

Global Foreign Exchange Reserves

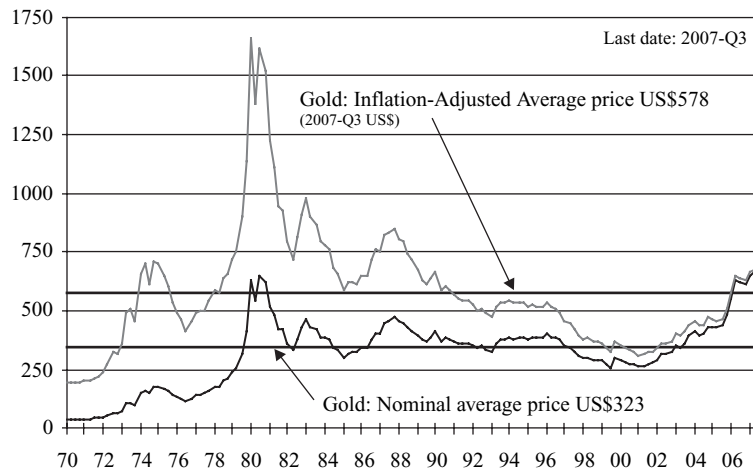


Source: DundeeWealth Economics
 Data Source: Foreign exchange reserves — International Monetary Fund

4. Relative Price of Gold

The Manager believes that although the price of gold might be expensive in nominal terms, it remains relatively inexpensive once adjusted for inflation. Real (inflation-adjusted) gold prices are still below the levels reached in the 1970s after the last oil crisis.

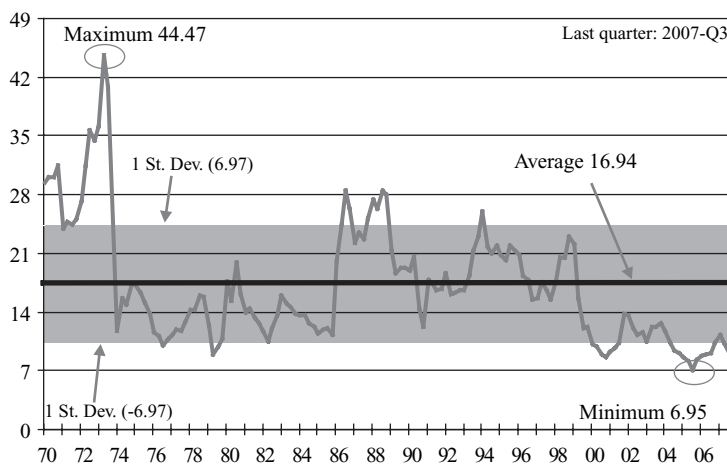
US\$ Gold Price in Real and Nominal Terms



Source: DundeeWealth Economics
 Data Sources: Gold — London Bullion Market Association; Consumer Price Index — U.S. Bureau of Labor Statistics

Gold is also inexpensive relative to the price of oil and other commodities. On average, since 1970, approximately 17 barrels of oil have been required to buy an ounce of gold. At today's prices, approximately nine barrels of oil are required to buy an ounce of gold. Similarly, gold is also depressed in terms of other commodities like copper, nickel and zinc.

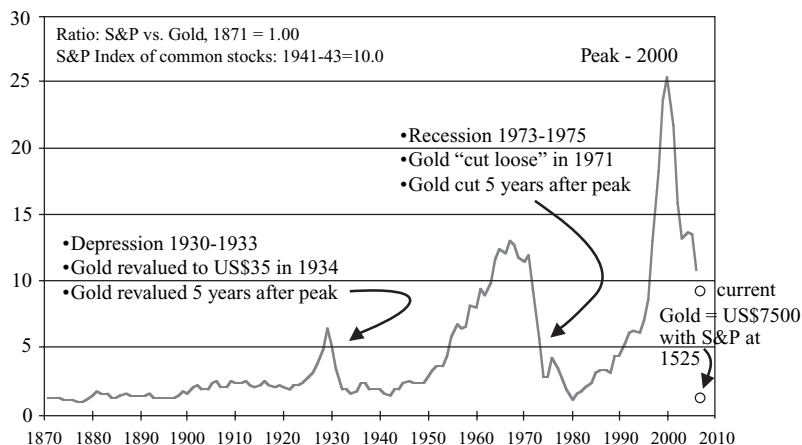
Barrels of Oil per Ounce of Gold



Source: DundeeWealth Economics
 Data Sources: Gold — London Bullion Market Association; Oil price — COMEX

The ratio of the S&P 500 Index with gold shows that such index remains very high relative to the price of gold, even though the ratio has declined from its peak in 2000. As a result, the Manager believes that gold remains undervalued relative to other commodities and financial assets.

S&P500 Index versus Gold Price



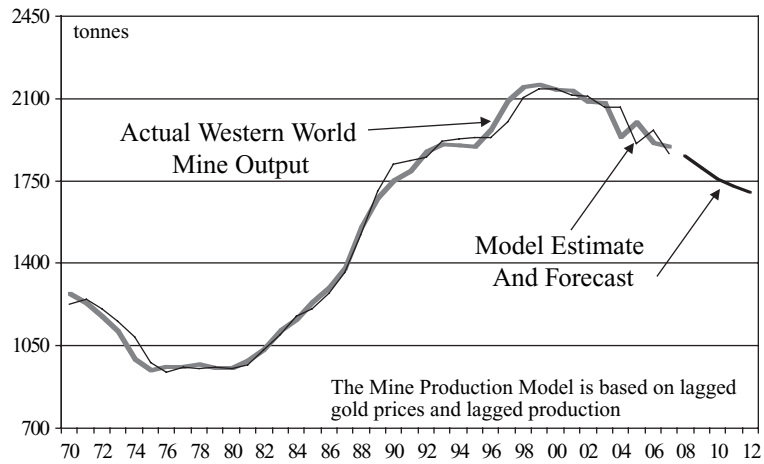
Source: DundeeWealth Economics
 Data Sources: S&P 500 Index — Standard & Poor's; Global Financial Data; Gold price — London Bullion Market Association

5. New Mine Supply

History suggests that gold mine output responds very slowly to higher gold prices and the response can take up to ten to fifteen years. Declining real gold prices started in the mid-1980s and resulted in two decades of declining exploration spending and capital investment in gold mining. Accordingly, new mine supply in the western world has begun to decline in recent years. The chart set out below also shows a DundeeWealth

Economics model that estimates historic and future production based on lagged gold prices and production levels. This model suggests that new mine supply will continue to decline for several more years.

New Gold Mine Supply (Western World)

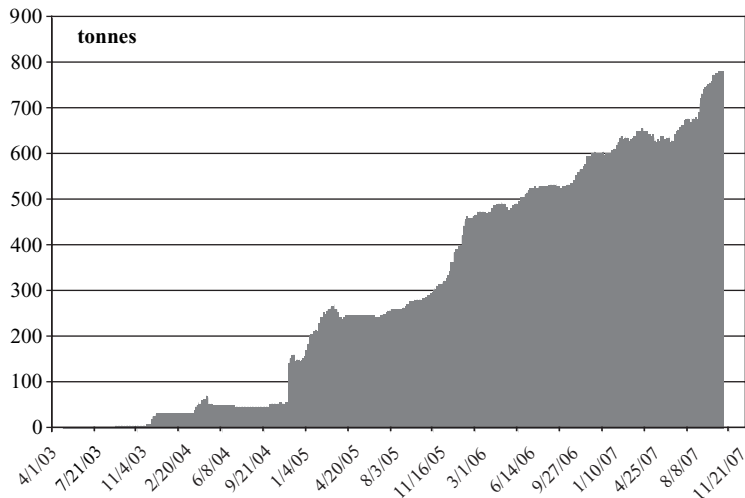


Source: DundeeWealth Economics
 Data Source: Mine production — GFMS Ltd.

6. Gold Demand

Deregulation in Asian gold markets and improvements in the distribution of gold products, along with the emergence of commodities as a separate investment class, have spurred new investment demand for gold. This is perhaps best illustrated by the proliferation and growth of gold ETFs. In the last three years, shortly after gold ETFs were introduced, the gold tonnage supporting the ETFs has grown ten-fold. Currently, there are more than 770 tonnes of gold held in ETFs, which is approximately US\$19 billion at current market prices. With a macro-environment supportive of gold and commodities, the Manager expects that the investment demand for gold bullion will continue to grow.

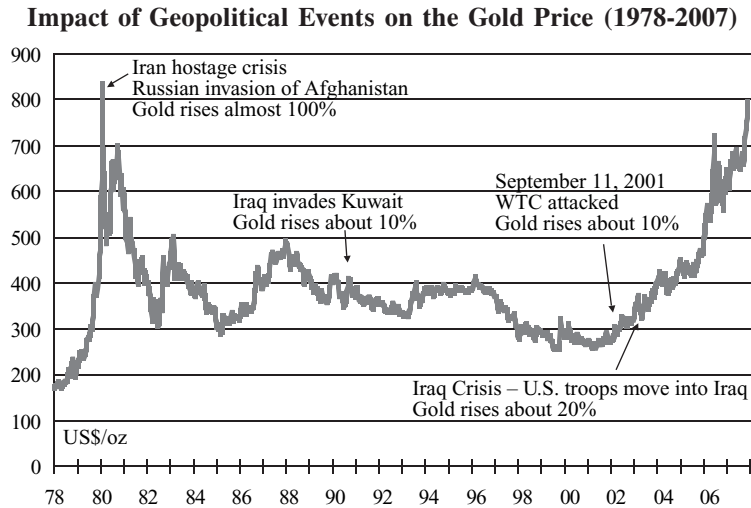
Gold Held in Exchange Traded Funds



Source: DundeeWealth Economics
 Data Source: World Gold Trust Services

7. Geopolitical Uncertainty

The direct impact of geopolitical uncertainty on gold prices is extremely hard to quantify. However, historically geopolitical uncertainty has had an impact on military spending, budget deficits and (often) on oil prices. Such uncertainty creates an environment where gold is viewed as an asset of last resort and a store of value by many investors. This point is illustrated in the chart which shows the impact of various geopolitical crises on the price of gold. The Manager believes that continued geopolitical tensions arising in the Middle East and other parts of the world will support investment demand for gold.

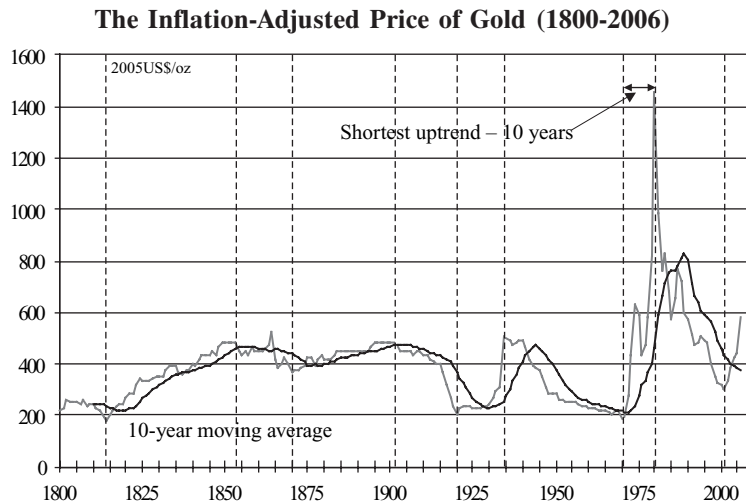


Source: DundeeWealth Economics

Data Source: Gold price — London Bullion Market Association

8. Gold Price Cycles

Historically, bull markets for gold are long-lived events. Over the past 200 years, the shortest uptrend in the inflation-adjusted price of gold was the ten-year period from 1970 to 1980. The current uptrend in the inflation-adjusted price of gold is approximately seven years old. The Manager believes that the macro-economic conditions described in the previous points together with the wealth creation resulting from continued development and urbanization of China and India, which are both major gold-consuming countries, will lead to an extended bull market for gold.



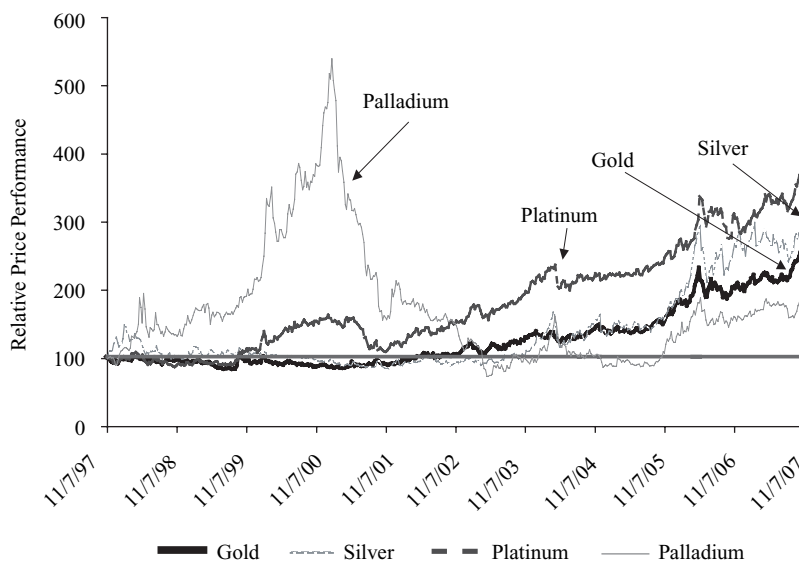
Source: DundeeWealth Economics

Data Sources: Gold price — Global Financial Data, London Bullion Market Association; Consumer Price Index — U.S. Bureau of Labor Statistics

Other Precious Metals Market Conditions

The Manager believes that the outlook for precious metals, other than gold, and the investment demand for such precious metals are positive for the same reasons described above under “— Gold Market Conditions”. Silver, platinum and palladium are an investment alternative to gold and the Manager believes that the prices for such other precious metals are expected to continue to correlate over the long-term with the price of gold.

Precious Metals Relative Price Performance (1997-2007)



Source: Bloomberg Finance LP www.bloomberg.com.

Investment Strategies

Principal Strategies

The Trust will employ actively managed investment strategies that are intended to enhance returns, reduce risk and allow the Manager to take advantage of investments in illiquid securities and merchant banking opportunities. The Manager intends to engage in the following principal investment strategies, together with the other strategies described below, to achieve the Investment Objective of the Trust:

- invest initially at least 75% (based on cost) of the Trust's total assets (other than cash and cash equivalents) in Precious Metals and securities of Precious Metals Issuers, with a focus on gold;
- diversify the Portfolio among Precious Metals and securities of Precious Metals Issuers and Minerals Issuers and Minerals Related Issuers; in implementing such strategy, the actual allocation of the assets of the Trust will vary in response to real and anticipated fluctuations in the prices of precious metals and other metals and minerals and other market conditions;
- diversify the Portfolio among: junior, intermediate and senior issuers; issuers engaged in varying stages of exploration, development and production activities; different countries; securities of public and private issuers, including flow-through shares and illiquid securities; and merchant banking opportunities; and
- make investments in flow-through shares to reduce taxation to Unitholders.

Other Strategies

Leverage

The Trust is authorized to borrow money to make investments, maintain liquidity, provide cover for the writing of options, and to pledge its assets to secure the borrowings, all in accordance with its Investment Objective, Investment Strategies and Investment Restrictions. After the Closing Date, the Manager, on behalf of the Trust, may enter into a Loan Facility with a financial institution that is not an affiliate of the Trust which would permit the Trust to borrow funds from time to time in such amount as the Manager determines

appropriate, provided that the principal amount of all such borrowings shall not exceed 25% of NAV, as determined at the close of business on the date immediately prior to the time of each borrowing by the Trust. Such leverage restriction on borrowing does not include, and is in addition to, other forms of leverage that the Trust may utilize. The interest rate, fees and expenses under the Loan Facility are expected to be generally consistent with market terms offered for similar credit facilities of this nature at the time at which the Loan Facility is established. No assurance can be given that the Loan Facility will be available on terms acceptable to the Manager at the time the Trust intends to borrow. The Trust may borrow or lend Precious Metals.

In addition, the Trust may utilize the following forms of leverage:

- (a) the Trust may purchase securities on margin or with borrowed funds (subject to the restrictions set forth above in the case of borrowed funds), provided that all purchases on margin must comply with the margining requirements of any applicable stock exchange or other regulatory body; and
- (b) the Trust may take short sale positions in respect of securities that are listed on a recognized stock exchange provided that the aggregate value (determined at cost) of all such securities does not exceed 50% of NAV determined as at the close of business on each date immediately prior to a short sale position being taken.

Foreign Currency and Foreign Currency Hedging

The Portfolio may be exposed to securities traded in foreign currencies. The Manager may use derivatives to hedge all or a portion of the Trust's non-Canadian dollar currency value back to the Canadian dollar.

Investment Restrictions

The Declaration of Trust provides for the following investment restrictions (the "Investment Restrictions"):

- (a) the Trust will not make any investment or conduct any activity that would result in the Trust failing to qualify as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act. Under the current statutory definitions of "unit trust" and, consequently, "mutual fund trust", among other requirements:
 - (i) at least 80% of the property (based on cost) of the Trust, at all times, must consist of any combination of (A) shares, (B) any property that, under the terms or conditions of which or under an agreement, is convertible into, is exchangeable for or confers a right to acquire, shares, (C) cash, (D) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations, (E) marketable securities, (F) real property situated in Canada and interests in such property and (G) rights to and interests in any rental or royalty computed by reference to the amount or value of production from a mineral resource in Canada;
 - (ii) not less than 95% of the income from the Trust (determined without reference to subsections 49(2.1) and 104(6) of the Tax Act) for each year must be derived from, or from the disposition of, investments described in (i) above; and
 - (iii) not more than 10% of the property (based on cost) of the Trust may, at any time, consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than Her Majesty in right of Canada or a province or a Canadian municipality;
- (b) the Trust will not invest in or hold any property that would result in the Trust becoming subject to the tax in respect of "SIFT Trusts", as defined in the Tax Act;
- (c) the Trust will not borrow money if the aggregate outstanding principal amount of all borrowings (other than in the ordinary course related to settlements of its positions in Precious Metals or securities) exceeds 25% of NAV, determined as of the date immediately preceding each date on which a borrowing is made by the Trust;
- (d) the Trust will not invest in or hold the securities of any non-resident corporation, trust or other non-resident entity in respect of which the Trust would be required to include any amount in computing its income as a result of the application of the proposed rules in respect of foreign investment entities and non-resident trusts contained as part of Bill C-10, which received second reading in the Senate on December 4, 2007 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

- (e) the Trust will not purchase or hold any securities of an entity that would be a foreign affiliate of the Trust for purposes of the Tax Act; or
- (f) the Trust will not invest in any security that is a “tax shelter investment” within the meaning of section 143.2 of the Tax Act.

Any change to the Investment Restrictions requires Unitholder approval. See “Unitholder Matters”.

MANAGEMENT OF THE TRUST

The Manager

General

Pursuant to the Management Agreement, Goodman & Company, Investment Counsel Ltd., whose registered office is located at Dundee Place, 1 Adelaide Street East, 29th Floor, Toronto, Ontario, M5C 2V9, has been appointed to act as the Manager of the Trust.

The Trust has retained the Manager to manage the Portfolio and the day-to-day operations of the Trust in a manner consistent with the Investment Objective, Investment Strategies and Investment Restrictions. Pursuant to the Management Agreement, the Manager is entitled to retain sub-advisors to provide investment advisory and portfolio management services to the Trust provided that each sub-advisor enters into an investment sub-advisory agreement among the Manager, the Trust and such sub-advisors. See “Summary of the Management Agreement.”

The Manager is a leading Canadian investment firm tracing its portfolio management roots back 50 years and is the manager of a variety of core and specialized funds, including the Dynamic Funds™, CMP™ and Canada Dominion Resources limited partnerships and seven other closed-end investment trusts listed on the TSX. As at December 14, 2007, the Manager had over \$26 billion in assets under management which included over \$1.6 billion in resource-focused investment funds.

Portfolio Management

The Trust will be managed by a portfolio management team of the Manager led by Ned Goodman.

Ned Goodman is the Executive Chairman of Dundee Resources and Chairman of DundeeWealth Inc. and the Chairman of the general partners in the CMP Group and Canada Dominion Resources Group. He is a portfolio manager of a number of funds within the Dynamic Focus+ group of funds, including the Dynamic Focus+ Resource Fund. Mr. Goodman is the President and Chief Executive Officer of Dundee Corporation and Chairman of the board of trustees of Dundee Real Estate Investment Trust. He is a director of several publicly traded companies, including Dundee Precious Metals Inc., Breakwater Resources Ltd., Cogitore Resources Inc. and Eurogas Corporation. Mr. Goodman obtained a Master of Business Administration from the University of Toronto in 1962, was awarded the designation Chartered Financial Analyst in 1967 and is a member of the Toronto CFA Society and the CFA Institute. He is also a member of the Institute of Mining, Metallurgy and Petroleum. In 1967, he co-founded Beutel, Goodman & Company Ltd. He sold his interest in Beutel, Goodman & Company Ltd. in 1989 and formed what is now Dundee Corporation, DundeeWealth Inc. and the Manager. In November 1997, he was awarded a Doctorate of Laws, *honoris causa*, by Concordia University and in October 2007 he became the Chancellor of Brock University. Mr. Goodman is the founder, benefactor and an adjunct professor of the Goodman Institute of Investment Management. He is a former director of the World Gold Council.

Experts Retained by the Manager

The Manager has retained Dundee Resources to provide commodity and technical expertise and due diligence services on potential investments. Dundee Resources, an affiliate of the Manager and a wholly-owned subsidiary of Dundee, carries out Dundee's resource-focused merchant banking activities. Ned Goodman and Murray John are the Executive Chairman, and the President and Chief Executive Officer, respectively, of Dundee Resources. The Manager has also retained Dr. Martin Murenbeeld, Chief Economist of DundeeWealth Economics, a division of DundeeWealth Inc., to provide commodity expertise, particularly with respect to gold.

Murray John is the President and Chief Executive Officer of Dundee Resources and the President, Chief Executive Officer and a director of the general partners in the CMP Group and the Canada Dominion Resources Group. Mr. John is the President and Chief Executive Officer and a director of Corona Gold Corporation. He is a director of several other publicly traded companies, including Dundee Precious Metals Inc., Breakwater Resources Ltd. and Iberian Minerals Corp. Prior to joining the Dundee group of companies, Mr. John graduated from the Camborne School of Mines in 1980, received a Master of Business Administration degree from the University of Toronto in 1992 and had extensive experience working as a mining engineer. Mr. John began his investment career with the Manager as a mining analyst in 1993 and subsequently worked as a portfolio manager specializing in precious metals equities from 1995 to 1998. He joined Dundee Securities Corporation as a research analyst in 1998 and moved to the mining investment banking team in early 2001.

Dr. Murenbeeld, formerly Principal of M. Murenbeeld & Associates Inc., is the Chief Economist of DundeeWealth Economics, a division of DundeeWealth Inc. He has over 28 years of independent consulting experience relating to gold markets and is a regular speaker at international gold conferences. His expertise on gold markets is sought after by some of the largest gold mining concerns in the world. M. Murenbeeld & Associates Inc. was purchased by DundeeWealth Inc. in July 2004 and subsequently Dr. Murenbeeld became Chief Economist of DundeeWealth Economics, a division of DundeeWealth Inc.

Other members of the Dundee Resources team of mining and financial industry professionals, all of whom are experienced in various capacities in the technical, financial and geo-political evaluation of mineral and precious metals and gold properties, include:

Colin Jones, Executive Vice President, Dundee Resources. Mr. Jones is a former partner and manager of Australian mining consultancy firm RSG Global Pty Ltd. Mr. Jones has over 26 years of experience as a mining, exploration and consulting geologist and has worked on all continents on producing mines, as part of feasibility teams, and as an explorationist. He graduated from Massey University in 1980 with a Bachelor of Science degree in Earth Sciences.

Meghan Lewis, Senior Mining Analyst, Dundee Resources. She has 12 years of experience in the mining sector, with six years of experience in mining research and finance within the Dundee group of companies and six years as an exploration geologist and mineralogist with a focus on diamond explorations. Ms. Lewis' areas of specialization include due diligence, project evaluation, financial modeling, transaction structuring and commodity analysis. She graduated from Dalhousie in 1996 with a Masters of Science in Geology degree.

Mark Rachovides, Vice President, Europe, Dundee Resources. He is a director of High River Gold Mines Ltd. and European Goldfields Limited and is a special advisor to Silver Bear Resources Inc. Mr. Rachovides has 22 years experience in banking and finance, including 11 years at the European Bank for Reconstruction and Development ("EBRD"). He is an expert with respect to the EBRD region and has led various financings for major mining projects in Russia, Uzbekistan, Armenia, FYR Macedonia and Bulgaria. Mr. Rachovides graduated from Oxford University in 1984 with a Master of Arts degree and is an Associate of the Chartered Institute of Bankers.

Gary O'Connor, Vice President, Exploration, Dundee Resources. Prior to joining Dundee Resources, he was Vice-President, Exploration of Gabriel Resources Ltd. Mr. O'Connor has over 25 years of experience in mineral exploration and development and has worked in New Zealand, Australia, the Pacific Islands, Indonesia, Philippines, Mexico, the U.S. and Eastern Europe. He graduated from the University of Auckland in 1982 with a degree in geology.

Thomas Augustinas, Senior Business Analyst, Dundee Resources. He has 14 years of experience in international commodities trading and has extensive experience doing business in Russia, the former Soviet Union and Eastern Europe. Mr. Augustinas has held prior positions with Trans-World (Alloys) Ltd., Rux Resources Inc., Glencore International AG, AIOC Corporation and Groupe Sucres & Denrées. He graduated from Concordia University in 2003 with a Master of Business Administration degree.

Historical Performance of Other Resource Funds Managed by the Manager

The Manager does not manage any other investment funds with investment objectives and restrictions that are identical to those of the Trust. However, the Manager intends to use substantially the same investment methodology in managing the Trust as it does for the Dynamic Precious Metals Fund, the Dynamic Focus+ Resource Fund, DMP Resource Class and the CMP Partnerships. The historical performances of the following three resource-focused investment funds which are currently managed by the Manager are listed in the table below, together with appropriate comparative indices.

<u>Name of Fund</u> ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	<u>Year to Date</u> (Returns not Annualized)	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Since Inception</u>
Dynamic Precious Metals Fund	(0.7)%	(1.6)%	39.4%	24.4%	24.1%	16.6%	—
S&P/TSX Global Gold Index	(3.1)%	(8.8)%	17.5%	12.5%	14.4%	6.3%	—
Dynamic Focus+ Resource Fund	11.1%	17.8%	37.3%	33.9%	33.6%	—	22.4%
S&P GSSI™ Natural Resource Index . . .	7.2%	7.3%	13.8%	18.0%	16.6%	—	8.6%
DMP Resource Class	(7.7)%	(5.2)%	20.5%	22.3%	28.5%	—	20.2%
S&P/TSX Composite Index	7.1%	10.0%	15.2%	17.4%	18.2%	—	7.2%

Notes:

- (1) All historical returns are net of all fees and expenses and assume reinvestment of all dividends and distributions and, except with respect to Year to Date returns, are presented on a compound annualized basis as of November 30, 2007.
- (2) Each of these funds offers one or more series of securities, each such series being intended for different kinds of investors. Each of these funds has a Series A which is available to all investors and a Series F which is generally used by investors in certain fee-based brokerage accounts. Each of the Dynamic Precious Metals Fund and the Dynamic Focus+ Resource Fund also have a Series I and a Series O which are generally only available for certain investors who make large investments in such funds. In the table above, only the Series A performance history is disclosed for each of the funds.
- (3) In descending order, the inception dates are January 20, 1984, June 26, 1998 and November 10, 2000, respectively.
- (4) In descending order, the assets under management in millions are \$483, \$378 and \$221, respectively.
- (5) These funds are open-end mutual funds. While all such funds are resource-focused funds managed by the Manager, they: (i) may not have the ability to use leverage or derivatives to the same extent as the Trust; (ii) have different investment objectives, strategies and restrictions; (iii) are subject to different securities law requirements; (iv) may not have the ability to invest in private issuers to the same extent as the Trust; (v) do not have a market price and are not publicly listed on the TSX; and (vi) are subject to different fees and expenses from the Trust (as reflected in their annualized return figures).

The Manager also manages the CMP Partnerships which are also resource-focused funds that are managed with substantially the same investment methodology as the Manager intends to use in managing the Trust. In addition, the following table and the footnotes thereto set out for each of the CMP Partnerships (i) the initial net asset value per limited partnership, (ii) the net asset value per limited partnership unit of such partnership as of the date it transferred all of its assets to another corporation (the “Transfer Date”) or as at November 30, 2007, as applicable, (iii) the after-tax rate of return per limited partnership unit of each such partnership as of the relevant Transfer Date or as at November 30, 2007, as applicable, and (iv) the annualized after-tax rate of return for the limited partners of each such partnership. The table is based on a number of assumptions set out in the paragraph and notes following the table.

CMP Partnerships that have Dissolved

Name of Partnership	Net asset value per unit on Transfer Date	After-Tax Rate of Return on Transfer Date ⁽²⁾	Annualized After-Tax Rate of Return ⁽⁴⁾⁽⁵⁾
CMP 1999 Resource Limited Partnership	\$ 109.35	63.4%	n/a ⁽¹⁾
CMP 2000 Resource Limited Partnership	\$ 144.54	138.2%	51.71%
CMP 2000 II Resource Limited Partnership	\$ 100.07	64.9%	35.03%
CMP 2001 Resource Limited Partnership	\$1,219.68	92.1%	38.74%
CMP 2001 II Resource Limited Partnership	\$1,389.08	118.8%	72.72%
CMP 2002 Resource Limited Partnership	\$1,304.71	114.5%	55.62%
CMP 2003 Resource Limited Partnership	\$1,053.14	73.2%	32.25%
CMP 2004 Resource Limited Partnership	\$1,144.85	88.3%	43.61%
CMP 2005 Resource Limited Partnership	\$1,637.12	152.6%	66.15%

CMP Partnerships that are Ongoing

Name of Partnership	Net asset value per unit as at November 30, 2007	After-Tax Rate of Return as at November 30, 2007 ⁽²⁾	Annualized After-Tax Rate of Return ⁽⁴⁾⁽⁵⁾
CMP 2006 Resource Limited Partnership	\$833.29 ⁽³⁾	26.20%	13.79%
CMP 2007 Resource Limited Partnership	\$614.21	(7.0)%	n/a ⁽⁶⁾

After-tax return numbers in the two above tables set out above for CMP Partnerships assume that a limited partner is an individual resident in Ontario subject to the highest marginal tax rate. The indicated after-tax rates of return are based on a number of assumptions set out in the notes to the table. Generally, it is assumed that an investor is able to deduct the subscription price of \$1,000 per unit against income for income tax purposes and the subsequent disposition of an investment will result in a capital gain. The difference in the tax treatment of deducting against income and inclusion as capital gain at more favourable effective marginal tax rates has the effect of reducing the break-even proceeds of disposition. The actual after-tax rates of return may be different. Actual after-tax rates of return 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 actual deductions or credits received.

Notes:

(1) This information is not available because this partnership transferred most of its assets to DCC Equities Limited, a subsidiary of Dundee Corporation, the indirect parent corporation of the Manager.

(2) Name of Partnership	Initial Net Asset Value Per Unit	Initial Closing Date	Transfer Date
CMP 1999 Resource Limited Partnership	\$ 100.00	December 28, 1999	December 27, 2001
CMP 2000 Resource Limited Partnership	\$ 100.00	June 15, 2000	July 15, 2002
CMP 2000 II Resource Limited Partnership	\$ 100.00	November 14, 2000	July 15, 2002
CMP 2001 Resource Limited Partnership	\$1,000.00	May 15, 2001	May 13, 2003
CMP 2001 II Resource Limited Partnership	\$1,000.00	December 6, 2001	May 13, 2003
CMP 2002 Resource Limited Partnership	\$1,000.00	May 15, 2002	February 4, 2004
CMP 2003 Resource Limited Partnership	\$1,000.00	April 4, 2003	March 21, 2005
CMP 2004 Resource Limited Partnership	\$1,000.00	April 15, 2004	January 13, 2006
CMP 2005 Resource Limited Partnership	\$1,000.00	March 10, 2005	January 5, 2007
CMP 2006 Resource Limited Partnership	\$1,000.00	January 31, 2006	n/a
CMP 2007 Resource Limited Partnership	\$1,000.00	January 24, 2007	n/a

(3) CMP 2006 Resource Limited Partnership is expected to transfer its assets to Dynamic Precious Metals Ltd. prior to July 1, 2008. CMP 2007 Resource Limited Partnership is expected to transfer its assets to DMP Ltd. prior to July 1, 2009.

(4) The after-tax return (after deducting capital gains tax on redemption) has been calculated assuming (i) the full \$1,000 per unit invested was deducted by investors for income tax purposes in the year of investment; (ii) a limited partner is an individual resident in Ontario and was subject to the highest combined federal and provincial marginal tax rate; (iii) each unit has an adjusted cost base of nil; and (iv) the disposition of units at the net asset value per unit on December 29, 2006 or the relevant Transfer Date, as applicable.

- (5) The after tax return includes performances before and after the applicable Transfer Date in respect of CMP 2000 Resource Limited Partnership, CMP 2000-II Resource Limited Partnership, CMP 2001 Resource Limited Partnership, CMP 2001-II Resource Limited Partnership, CMP 2002 Resource Limited Partnership, CMP 2003 Resource Limited Partnership, CMP 2004 Resource Limited Partnership and CMP 2005 Resource Limited Partnership.
- (6) This information is not available since CMP 2007 Resource Limited has been in operation for less than one year.

The historical performance of the Dynamic Precious Metals Fund, Dynamic Focus+ Resource Fund, DMP Resource Class and the CMP Partnerships is not indicative of the performance of the Trust and is provided only to illustrate the experience and historic investment returns obtained by the Manager for other resource-focused investment funds managed by the Manager, and this information should not be construed as a forecast or projection of the expected return of the Trust.

TRUST GOVERNANCE

Directors and Certain Officers of the Manager

The names, municipalities of residence, offices and principal occupation or position held with the Manager during the past five years of its directors, executive officers or other officers that will be involved in the management of the Trust are set out below:

<u>Name and Municipality of Residence</u>	<u>Office or Position</u>	<u>Principal Occupation</u>
TODD BEALLOR Toronto, Ontario	Director and Executive Vice President	Executive Vice President and a Director of the Manager
EDWARD BEZEAU Toronto, Ontario	Director	Director of the Manager
DAVID GOODMAN Toronto, Ontario	Executive Chairman and a Director	Executive Chairman and a Director of the Manager, President and Chief Executive Officer of DundeeWealth Inc.
SIMON HITZIG Toronto, Ontario	Executive Vice President	Executive Vice President, Marketing and Product Development of the Manager
JOHN PEREIRA Richmond Hill, Ontario	Director, Executive Vice President and Chief Financial Officer	Executive Vice President, Chief Financial Officer and a Director of the Manager
AMY SATOV Montreal, Quebec	Senior Vice President and Corporate Secretary	Senior Vice President, Legal and Compliance, and Corporate Secretary of the Manager; and Corporate Secretary of DundeeWealth Inc.
DAVID WHYTE Oakville, Quebec	Director and President	President and a Director of the Manager

During the past five years, all of the directors and certain officers of the Manager have held their present principal occupations (or similar positions with their present employer or its affiliates), except for: Mr. David Goodman who, prior to June 2007, was President and Chief Executive Officer of the Manager; and Mr. Whyte who, between March 2005 and June 20, 2007 was Executive Vice President, National Sales Manager, of the Manager, prior to March 2005, was Executive Vice President at AIC Group of Funds (an investment fund company) and, prior to March 2004, was Executive Vice President at AIM Funds Management Inc. (an investment fund company).

Code of Ethics and Standards of Professional Responsibility

The Manager has a Code of Ethics and Standards of Professional Conduct (the “Code of Ethics”) which applies to all of its employees. The Code of Ethics is in place to protect the interests of all of the Manager’s clients. The Code of Ethics provides policies governing the conduct of business, including conflicts of interest, privacy issues and confidentiality.

Policies and Practices

The Manager has policies and practices in place in order to comply with applicable securities laws, regulations and rules, including the risk management policies and procedures outlined below.

Derivatives Risk Management

The Trust may use derivatives from time to time. Any use of derivatives by the Trust is governed by the Manager’s own policies and procedures relating to derivatives trading. These policies and procedures are prepared and reviewed at least annually by senior management of the Manager. The decision as to the use of derivatives is made by senior portfolio managers of the Manager in accordance with the compliance procedures and risk control measures of the Manager.

Short Selling Risk Management

The Trust may engage in short selling from time to time as described in this prospectus. The Manager has developed written policies and procedures relating to short selling by the Trust (including objectives, goals and risk management procedures). Agreements, policies and procedures that are applicable to the investment funds managed by the Manager relating to short selling (including trading limits and controls in addition to those specified above) are reviewed by senior management of the Manager. The Board of Governors (as defined below) will also be kept apprised of any short selling policies. The decision to effect any particular short sale is made by senior portfolio managers of the Manager and reviewed and monitored as part of the Manager’s ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are not used to test the portfolio of the Trust under stress conditions.

Policies on Proxy Voting

Policies and Procedures

Subject to compliance with applicable securities legislation, the Manager, acting on the Trust’s behalf, has the right to vote proxies relating to the Portfolio Securities. In all cases, proxies must be voted in a manner consistent with the best interests of the Trust and Unitholders.

Generally, proxies will be voted with management of an issuer on routine business, otherwise the Trust will not own or maintain a position in the securities of that issuer. Examples of routine business applicable to an issuer are voting on the size, nomination and election of the board of directors and the appointment of auditors. All other special or non-routine matters will be assessed on a case-by-case basis with a focus on the potential impact of the vote on the value of the Trust’s investment in that issuer. Examples of non-routine business are: stock based compensation plans, executive severance compensation arrangements, shareholders rights plans, corporate restructuring plans, going private transactions in connection with leveraged buyouts, lock-up arrangements, crown jewel defenses, supermajority approval proposals, and stakeholder or shareholder proposals.

On occasion, the Manager may abstain from voting a proxy or a specific proxy item if the Manager concludes that the potential benefit of voting the proxy of that issuer is outweighed by the cost of voting the proxy. In addition, the Manager will not vote proxies received in respect of Portfolio Securities which are no longer held in the Trust.

Proxy Voting Conflicts of Interest

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, in order to balance the interest of the Trust in voting proxies with the desire to avoid the perception of a conflict of interest, the Manager has instituted procedures to help ensure that the Trust's proxy is voted in accordance with the business judgment of the person exercising the voting rights on behalf of the Trust, uninfluenced by considerations other than the best interests of the Trust.

The procedures for voting proxies where there may be a conflict of interest include escalation of the issue to the Board of Governors, a majority of whose members are independent of the Manager, for its consideration and advice, although the responsibility for deciding how to vote the Trust's proxies and for exercising the vote remains with the Manager. The primary responsibility of the Board of Governors is to represent the interests of the investors in the funds managed by the Manager, including the Trust, and for this purpose to act in an advisory capacity to the Manager.

Disclosure of Proxy Voting Guidelines and Record

A copy of the Manager's proxy voting guidelines will be available on the Manager's website at <http://www.dynamic.ca>. The proxy voting record for the Trust for its most recently completed fiscal year will be available on the Trust's website at <http://www.dynamic.ca>, or will be sent, upon request, to securityholders of the Trust, at any time after February 28 in the next fiscal year. Information contained on the website of the Manager and the Trust is not part of this prospectus and is not incorporated herein by reference.

Board of Governors

The Manager has sought to provide the securityholders of investment funds managed by the Manager, including Dynamic Precious Metals Fund, Dynamic Focus+ Resource Fund, DMP Resource Class, the CMP Partnerships and the Trust, with an independent governance body (the "Board of Governors") that traces its roots to September 1996. The Board of Governors is composed of seven members, the majority of whom are independent from the Manager.

The function of the Board of Governors is to represent the interests of the securityholders in the Trust and to act in an advisory capacity to the Manager and Trustee of the Trust. This responsibility is expressed in the Board of Governors' mission and mandate:

- to help protect the interests of the securityholders of the Trust;
- to oversee the business and operations of the Trust in the best interests of the securityholders; and
- to act in an advisory role to the Manager and Trustee of the Trust.

The members of the Board of Governors are: Mr. Ronald Singer (Chairman), Mr. Alain Benedetti, Mr. Richard Crowe, Mr. Brahm Gelfand, Mr. Garth MacRae, Mr. Robert Ruggles and Mr. Frank White. Mr. Singer is a retired partner of Hyde Houghton, Chartered Accountants and a director of Dundee Precious Metals Inc. (a Canadian based international mining company). Mr. Benedetti is a retired Vice-Chairman and Canadian Area Managing Partner of Ernst & Young LLP. Mr. Crowe is retired and formerly President, Portfolio Manager and a founding partner of Senecal and Associates Investment Counsel. Mr. Gelfand is counsel to Lapointe Rosenstein LLP, a law firm. Mr. MacRae is a director of Dundee Corporation (a holding company dedicated to wealth management, real estate and resources) and a director of DundeeWealth Inc. Mr. Ruggles is a retired investment counsel and portfolio manager and a founding partner of Ruggles and Crysdale which subsequently merged with Guardian Capital Group Ltd., an investment counseling firm. Mr. White is the President of Frank White Enterprises Inc.

In carrying out its mandate effectively and assisting in the decision making process, the Board of Governors has formed the following three committees: Audit Committee, Fund Review Committee and Governance Committee. Each committee will oversee investment funds managed by the Manager, including the Trust, in accordance with written mandates.

Audit Committee: The committee reviews the semi-annual and annual reports that are sent to securityholders, provides the independent auditors of each fund with a means to raise any unresolved issues with management and provides the auditors the vehicle to maintain their independence. The Audit Committee is comprised of Mr. Frank White (Chair), Mr. Brahm Gelfand, Mr. Garth MacRae and Mr. Ronald Singer.

Fund Review Committee: The committee is responsible for overseeing, among other things, fund performance, the fund managers, soft dollar arrangements and unusual execution costs. The Fund Review Committee is comprised of Mr. Robert Ruggles (Chair), Mr. Ronald Singer, Mr. Garth MacRae and Mr. Richard Crowe.

Governance Committee: The committee deals with, among other things, succession planning, member evaluation and education, member selection and appointment, code of ethics, compliance with laws and regulations, whistle-blowing mechanisms and ongoing developments with securities regulations relating to the Manager and investment industry. The Governance Committee is comprised of Mr. Alain Benedetti (Chair), Mr. Ronald Singer and Mr. Frank White.

Regularly, representatives from the portfolio management team of the Manager will report to the Board of Governors on the business and operations of the Trust to ensure that the stated mandate of the funds is maintained. Periodically, senior management, including representatives of the Manager's Compliance Committee and Internal Auditor, will report to the Board of Governors to ensure that the Manager has effective controls in place to protect the Trust's assets, and to review and discuss compliance with the Code of Ethics, appropriate resolution of potential or perceived conflicts of interest, internal controls over financial reporting, the accuracy of daily NAV calculations, and compliance with regulatory requirements.

The person appointed as Director, Internal Audit, reports to the Audit Committee of the Board of Governors and provides independent oversight and reports on the operations of the Manager that affect the funds.

The purpose and function of the Board of Governors continues to evolve over time in response to changing market conditions and investment fund regulations and legislation.

The compensation and other reasonable expenses of the Board of Governors and its committees will be paid *pro rata* out of the assets of the Trust, as well as out of the assets of the other investment funds for which the Board of Governors and its committees, as the case may be, act as a Board of Governors or a committee.

Independent Review Committee

The Independent Review Committee of the investment funds managed by the Manager deals with conflict of interest matters presented to it by the Manager in accordance with NI 81-107. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Trust and the other investment funds managed by it, and request input from the Independent Review Committee on how it manages those conflicts of interest. NI 81-107 also requires the Manager to establish written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee will provide its recommendations or approvals, as required, to the Manager with a view to the best interests of the Trust. The Independent Review Committee reports annually to Unitholders of the Trust as required by NI 81-107. The reports of the Independent Review Committee will be available free of charge from the Manager on request by contacting the Manager at invest@dynamic.ca and will be posted on the Manager's website at www.dynamic.ca. The Independent Review Committee is currently comprised of Mr. Brahm Gelfand (Chair), Mr. Ronald Singer and Mr. Frank White.

The compensation and other reasonable expenses of the Independent Review Committee will be paid *pro rata* out of the assets of the Trust, as well as out of the assets of the other investment funds for which the Independent Review Committee, as the case may be, act as the independent review committee. The main components of compensation for members of the Independent Review Committee are an annual retainer and a fee for each committee meeting attended. The chair of the Independent Review Committee is entitled to an additional fee. Expenses of the Independent Review Committee include premiums for insurance coverage, legal fees, travel expenses and reasonable out-of-pocket expenses. The Trust's *pro rata* portion of these fees and expenses for the Independent Review Committee has not been determined since the Independent Review Committee has not as of the date of this prospectus been in operation for one fiscal year.

THE TRUSTEE

Pursuant to the Declaration of Trust dated as of December 20, 2007, Goodman & Company, Investment Counsel Ltd. is the trustee of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust.

The Trustee may resign upon 90 days' prior written notice to the Manager. In the event that the Trustee is in material breach of the Declaration of Trust and, if such breach is capable of being cured and the Trustee has not taken all reasonable steps to cure such breach within 60 days' written notice of any such breach to the Trustee, the Trustee may be terminated with the approval of 75% of the votes cast at a meeting of Unitholders called for such purpose. Any resignation or removal of the Trustee shall become effective only upon the appointment of a successor trustee or successor trustees, which must be approved by Unitholders if the Trustee was removed by the Unitholders. In the event the Trustee delivers notice of resignation, the Trustee is entitled to appoint its successor or successors without Unitholder approval. If no successor has been appointed within 90 days of such notice, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee or successor trustees.

In the event that the Trustee appoints two or more successor trustees, the Trustee has the authority to amend the Declaration of Trust, without obtaining the approval or consent of the Unitholders, in order to make changes and/or additions which counsel for the Trust advise are necessary or desirable in order for two or more successor trustees to discharge their duties under the Declaration of Trust.

The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust except in cases where the Trustee fails to act honestly and in good faith with a view to the best interests of the Unitholders or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The address of the Trustee is Dundee Place, 1 Adelaide Street East, 29th Floor, Toronto, Ontario M5C 2V9.

The Trustee is entitled to receive customary fees from the Trust and to be reimbursed by the Trust for all expenses which are reasonably incurred by the Trustee in connection with the activities of the Trust.

THE CUSTODIAN

Pursuant to the Custodian Agreement dated as of December 20, 2007, the Portfolio Securities owned by the Trust will be held by State Street Trust Company Canada, the custodian of the Trust, other than those assets which are required to satisfy a broker's or dealer's margin requirements. The Custodian may employ sub-custodians as considered appropriate in the circumstances by the Custodian, in its discretion. Subject to certain exemptions as set out in the Custodian Agreement, the Custodian is not responsible for any ongoing assessment, adequacy or monitoring of or any liability for any loan or credit facility or any liability for holding or control of any property of the Trust pledged to a counterparty and not directly held by the Custodian. The address of the Custodian is 30 Adelaide Street East, Suite 1100, Toronto, Ontario, M5C 3G6.

The Manager shall not be responsible for any losses or damages to the Trust arising out of any action or inaction by the Custodian or any sub-custodian holding the Portfolio Securities.

SUMMARY OF THE MANAGEMENT AGREEMENT

The terms of the Management Agreement were negotiated by the Manager, as Manager, portfolio manager and promoter of the Trust, and the Agents.

Pursuant to the Management Agreement, the Manager has exclusive authority to manage the undertaking and affairs of the Trust and to make all decisions regarding the undertaking of the Trust, including the selection of the portfolio management team, and to bind the Trust. The Manager may, pursuant to the terms of the Management Agreement, delegate certain of its powers to third parties, at no additional cost to the Trust where, in the discretion of the Manager, it would be in the best interests of the Trust and the Unitholders to do so. The Manager is required to exercise its powers and perform its duties honestly, in good faith and in the best interests

of the Trust and to exercise the care, diligence and skill that a reasonably prudent and qualified manager would exercise in comparable circumstances. The Manager and each of its directors, officers, employees, consultants and agents will not be liable for, and will be indemnified and reimbursed by the Trust to the fullest extent permitted by law against all liabilities and expenses (including judgments, fines, penalties, interest, amounts paid in settlement with the approval of the Trust and counsel fees and disbursements on a solicitor and client basis) reasonably incurred in connection with acting as the Manager or a director, officer, employee, advisor, consultant or agent thereof, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made a party by reason of being or having been the Manager or a director, officer, employee, advisor, consultant or agent thereof, except for liabilities and expenses resulting from such person's willful misconduct, bad faith, negligence, disregard of the Manager's duties or standard of care, diligence and skill or material breach or default of the Manager's obligations under the Management Agreement.

In the event that the Manager is in material breach of the Management Agreement, and, if such breach is capable of being cured and the Manager has not taken all reasonable steps to cure such breach within 60 days after written notice of any such breach has been given to the Manager, the Management Agreement may be terminated upon 180 days' written notice with the approval of 75% of the votes cast at a meeting of Unitholders called for such purpose. The Management Agreement may be terminated immediately by the Trust if the Manager commits any fraudulent act and shall be automatically terminated as of the date on which the Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors. The Manager may assign the Management Agreement to an affiliate of the Manager at any time, and the Manager may resign, upon 90 days' written notice to the Trustee. Other than fees and expenses payable to the Manager pursuant to the Management Agreement up to and including the date of termination, no additional payments will be required to be made to the Manager as a result of any termination.

The Manager has coordinated the organization of the Trust, will work to develop and implement all aspects of the communications, marketing and distribution strategies of the Trust and will manage the ongoing undertaking and administration of the Trust. The Manager will be responsible for ensuring that the proceeds of the Offering are invested as described under "Use of Proceeds". Funds of the Manager will not be commingled with those of the Trust.

Management Fee

The Trust will pay a monthly management fee (the "Management Fee") to the Manager in respect of each month in each fiscal year of the Trust that is equal to one-twelfth of 2.0% of NAV for such month, plus applicable taxes, provided that prior to January 1, 2013, the Manager will pay the Service Fee. See "Service Fee". The Management Fee in respect of any particular month will be determined in accordance with the Declaration of Trust, based upon the NAV on the last day of such month and shall be payable at the beginning of the next succeeding month. The Management Fee may, at the option of the Manager, be paid in cash or in Trust Units, or a combination thereof. To the extent that Trust Units are issued from treasury in respect of the payment of such Management Fee for any particular month, the Trust Units will be valued at NAV, determined on the last day of such month.

The Manager will be issued a right at the Closing Date entitling it to receive, upon exercise on or before the last Business Day of each month during the term of the Management Agreement, payment of any or all of the Management Fee for such month in Trust Units rather than cash (provided the Manager will be entitled to receive cash in lieu of any fractional Trust Unit the Manager would otherwise be entitled to receive upon such an election) at the option of the Manager. To the extent Trust Units are issued from treasury for these purposes, Trust Units will be valued at NAV as at the last Business Day of the applicable month, will have the effect of increasing the number of outstanding Trust Units and will be distributed in accordance with exemptions from applicable securities laws and the rules of the TSX. This prospectus qualifies the right of the Manager to receive Trust Units rather than cash as payment of the management fee. The Trust shall reserve 175,000 Trust Units in the event that Trust Units are issued by the Trust for this purpose.

Management Incentive Fee

The Trust will pay to the Manager a performance bonus (the “Management Incentive Fee”) in respect of each fiscal year of the Trust (a “Qualifying Year”) in which the Adjusted NAV per Trust Unit on the last day of such fiscal year is at least 108%, pro rated in the case of any partial fiscal year, of the NAV per Trust Unit on the last day of the immediately preceding fiscal year, before giving effect to all distributions and adjusted to exclude the dilutive effects of Warrants exercised since the Highest Prior Year. The Management Incentive Fee payable in respect of any Qualifying Year shall be equal to: (a) 20% of the amount by which the Adjusted NAV per Trust Unit on the last day of such Qualifying Year exceeds the Highest NAV per Trust Unit, multiplied by (b) the average daily number of Trust Units outstanding during such Qualifying Year. The Management Incentive Fee in respect of any particular Qualifying Year shall be estimated and accrued on each valuation date and shall be finally determined and paid within 30 Business Days after the end of such Qualifying Year.

For the purposes of the foregoing:

“Adjusted NAV per Trust Unit” means, for any particular Qualifying Year, the NAV per Trust Unit on the last day of such Qualifying Year, before giving effect to any distributions by the Trust since the Highest Prior Year, without giving effect to the accrual of any Management Incentive Fee and adjusted to exclude any dilutive effects of Warrants exercised since the Highest Prior Year.

“Initial NAV per Trust Unit” means the NAV per Trust Unit immediately following the Closing Date which, for greater certainty, is equal to the Unit Price less Agents’ fees and all costs and expenses associated with the Offering (all determined on a per Trust Unit basis).

“NAV per Trust Unit” means, as of any particular time of determination, the quotient obtained by dividing the NAV by the total number of Trust Units issued and outstanding at such time.

“Highest NAV per Trust Unit” means, with respect to any particular Qualifying Year, the NAV per Trust Unit on the last day of the fiscal year in which the High Water Mark was established, unless such High Water Mark was established in 2008, in which case the “Highest NAV per Trust Unit” shall mean the greater of: (a) the Initial NAV per Trust Unit; and (b) the NAV per Trust Unit on December 31, 2008.

“Highest Prior Year” means, for any particular Qualifying Year, the last fiscal year in which the Highest NAV per Trust Unit was established.

“High Water Mark” means the greater of: (a) the Initial NAV per Trust Unit; (b) the NAV per Trust Unit on December 31, 2008; (c) the NAV per Trust Unit on the last day of the most recent Qualifying Year in which a Management Incentive Fee was payable after giving effect to all distributions and accruals of the Management Incentive Fee in such Qualifying Year; and (d) the NAV per Trust Unit on the last day of any fiscal year subsequent to the last Qualifying Year in which a Management Incentive Fee was payable before giving effect to all distributions and adjusted to exclude any dilutive effects of Warrants exercised since the last Qualifying Year.

Service Fee

For each fiscal quarter of the Trust ending prior to January 1, 2013, the Manager will pay a service fee (the “Service Fee”), plus applicable taxes, to each full service registered dealer. The Service Fee will be equal to one-quarter of 0.4% of: (a) the NAV per Trust Unit calculated as of the last day of the applicable fiscal quarter, multiplied by (b) the aggregate number of Trust Units held by all clients of such full service registered dealer as of the last day of such fiscal quarter. The Service Fee shall be paid within 30 Business Days after the end of each applicable fiscal quarter.

Except for costs expressly to be borne by the Manager as set out in the Management Agreement, the Trust will be responsible for paying all costs and expenses incurred in connection with its operation and administration, estimated to be \$300,000 per annum. Certain of these expenses shall be payable to the Manager for certain continuous disclosure and other ongoing expenses.

Any arrangements for additional services between the Trust and the Manager, or any affiliate thereof, that have not been described in this prospectus shall be on terms that are generally no less favourable to the Trust

than those available with arm's length parties (within the meaning of the Tax Act) for comparable services and the Trust shall pay all expenses associated with such additional services.

The services of the Manager and the officers and directors of the Manager are not exclusive to the Trust. The Manager and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in the administration of any other fund or trust or portfolio management services for private clients.

DETERMINATION OF NET ASSET VALUE OF THE TRUST

The NAV on a particular date is calculated by determining the market value of all of the assets of the Trust as of such date less all of its liabilities as of such date.

The NAV per Trust Unit on any particular date is calculated by dividing the NAV on such date by the total number of Trust Units issued and outstanding on such date.

The Manager will calculate the NAV per Trust Unit and Diluted NAV per Trust Unit (as defined below) at 4:00 p.m. (Toronto time), as applicable, as at the close of business, on each valuation date that is a Business Day. Prior to the Series A Warrant Expiry Date, the Trust will calculate daily, and publish weekly, the NAV per Trust Unit when the NAV per Trust Unit is \$12.00 or lower and the Diluted NAV per Trust Unit when the NAV per Trust Unit is greater than \$12.00. Prior to the Series B Warrant Expiry Date, the Trust will also calculate daily, and publish weekly, the NAV per Trust Unit when the NAV per Trust Unit is \$15.00 or lower and the Diluted NAV per Trust Unit when the NAV per Trust Unit is greater than \$15.00. Prior to the Series B Warrant Expiry Date, the Manager will make available both the NAV per Trust Unit or Diluted NAV per Trust Unit as applicable, together with an explanation of these calculations and the difference between them. For purposes of this section, "Diluted NAV per Trust Unit" means, on any particular date of determination, the NAV of the Trust on such date plus the net proceeds that would have been received by the Trust if all outstanding Warrants of the Trust were exercised on such date, divided by the number of Trust Units outstanding on such date plus the additional Trust Units that would be outstanding if all of the outstanding Warrants had been exercised on such date.

Unless otherwise required by law, in determining the NAV of the Trust at any time, the Trustee will take into account:

- (a) the value of any cash on hand or on deposit, prepaid expenses, cash distributions declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;
- (b) the value of any security which is listed on a stock exchange (or if more than one, on the principal exchange as determined by the Manager, 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 exchange all as reported by any report in common use or authorized as official by the stock exchange; provided that if such official closing 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 the Manager considers to be fair and reasonable (the "fair value") for the security based on market quotations the Manager believes most closely reflect 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., Toronto 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 investment funds with significant holdings in foreign securities;
- (c) the value of the securities of any other investment fund will be the NAV per security on that day or, if the day is not a valuation date of the investment fund, the NAV per security on the most recent valuation date for the investment fund;

- (d) 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 quotations in common use;
- (e) long positions in clearing corporation options, over-the-counter options, debt-like securities and listed warrants shall be valued at their current market value;
- (f) where a covered clearing corporation option or over-the-counter option is written by the Trust, the premium received by the Trust will be reflected so long as the option is outstanding as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the NAV of the Trust; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued at their current market value;
- (g) the value of a forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the forward contract on that valuation date;
- (h) margin paid or deposited in respect of forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (i) short-term investments (excluding bonds with a term to maturity that is less than one year) are valued at cost plus accrued interest which approximates their market value;
- (j) the value of a standardized futures contract shall be based on the settlement price reported by the exchange on the valuation date, unless “daily limits” are in effect, in which case fair market value shall be based on the current value of the underlying interest; and
- (k) 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 market value on that day determined in a manner by the Manager in its discretion.

For the purpose of determining the NAV of the Trust, the Trust has also adopted the valuation requirements for restricted securities and margin paid or deposited which have been established by the Canadian securities regulatory authorities.

For the purpose of all necessary conversions of funds from another currency to Canadian currency, the then current rate of exchange as determined by customary banking sources will be used.

If an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding such rules, the Manager shall make such valuation as it considers fair and reasonable.

For the purpose of determining the NAV of the Trust, the assets of the Trust shall be deemed to include:

- (a) all liquid assets, which shall mean cash or its equivalent (including cash of other countries if conversion into Canadian currency can be readily effected), on hand, on deposit or on call, including any accrued interest thereon;
- (b) all bills and demand notes, accounts receivable and prepaid expenses;
- (c) all bonds, time notes, shares, subscription rights and other securities owned or contracted for by the Trust;
- (d) all stock and cash dividends and cash distributions to be received by the Trust and not yet received by it but declared to shareholders of record on a date on or before the date as of which the NAV of the Trust are being determined;
- (e) all interest accrued on any interest-bearing securities owned by the Trust (except interest accrued on securities in default which is included in the quoted price); and
- (f) all other property of every kind and nature.

For the purposes of determining the NAV of the Trust, the liabilities of the Trust shall be deemed to include all liabilities of the Trust of whatsoever kind and nature except liabilities represented by outstanding Trust Units and Warrants and, for greater certainty but without limitation, include:

- (a) all bills, notes and accounts payable;
- (b) all administrative expenses payable or accrued (including management fees payable pursuant to the Management Agreement);
- (c) all contractual obligations for the payment of money or property, including unpaid distributions;
- (d) all allowances authorized or approved by the Trustee for taxes; and
- (e) all other liabilities of the Trust.

In calculating the NAV and the Diluted NAV per Trust Unit:

- (a) the issue of Trust Units shall be reflected in the computation of the NAV of the Trust no later than the next valuation date after the time as at which the NAV and the Diluted NAV per Trust Unit is determined for the purpose of the issue of the Trust Units; and
- (b) each portfolio transaction will be reflected in the computation of the NAV and the Diluted NAV per Trust Unit no later than the valuation date after the date on which the transaction becomes binding.

The NAV per Trust Unit will be calculated in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Trust may obtain. The NAV per Trust Unit will be calculated in Canadian dollars. The NAV per Trust Unit determined in accordance with the principles set out above may differ from NAV determined under Canadian generally accepted accounting principles.

Pursuant to NI 81-106, the Trust is required to calculate its NAV in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). Canadian GAAP was modified by the introduction of section 3855 of the Canadian Institute of Chartered Accountants Handbook which applies to financial years beginning on or after October 1, 2006. The Canadian Securities Administrators have provided relief from the requirement of NI 81-106 that investment funds calculate their net asset values in accordance with Canadian GAAP for any purpose, other than for purposes of financial statements for financial years commencing on or after October 1, 2006. As a result, the NAV of the Trust will be calculated as described in this section for the purposes of redemptions but will be calculated in accordance with Canadian GAAP for the purposes of its financial statements. The financial statements of the Trust will include a reconciliation of the NAV contained in the financial statements to the NAV used for other purposes. On September 28, 2007, the Canadian Securities Administrators granted a further one year extension to the above mentioned relief for the calculation of NAV in accordance with Canadian GAAP.

DESCRIPTION OF TRUST UNITS

The Trust is authorized to issue an unlimited number of Trust Units of one class under the Offering and upon the exercise of the Series A Warrants and/or the Series B Warrants, as the case may be, each of which represents an equal, undivided interest in the net assets of the Trust.

Each Trust Unit entitles the holder to the same rights and obligations as a holder of any other Trust Unit and no holder of Trust Units is entitled to any privilege, priority or preference in relation to any other holder of Trust Units. Each holder of Trust Units is entitled to one vote for each whole Trust Unit held and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, if any.

Trust Units are freely transferable, except as provided under “Unitholder Matters — Non-Resident Unitholders” or as otherwise restricted by the Trustee in order to comply with any applicable laws, regulations or other requirements imposed by regulatory authorities or to obtain, maintain or renew any licenses, rights, status or powers pursuant to any applicable laws, regulations or other requirements imposed by any stock exchange or other applicable regulatory authorities.

On termination or liquidation of the Trust, the holders of outstanding Trust Units of record are entitled to receive on a *pro rata* basis all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust. Trust Units are issued only as fully paid and non-assessable. Trust Units will only be issued through the book-based system administered by CDS, except where the issuance of physical certificates evidencing ownership in such securities is necessary to deal with Warrant exercises and restricted and/or legended securities. See “Book-Based System”.

The Declaration of Trust will provide that the Trust may not issue additional Trust Units following completion of the Offering, except: (a) at a price that yields net proceeds of not less than 90% of NAV per Trust Unit calculated as of the close of business on the date immediately prior to the pricing of such Offering without the prior approval of the Independent Review Committee; (b) by way of Trust Unit distributions; (c) with the prior approval of Unitholders; (d) upon the exercise of the Warrants; (e) with respect to the payment of the management fee under the Management Agreement; or (f) upon the exercise of rights, options or warrants. Immediately after a *pro rata* distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units may be consolidated such that each Unitholder will hold, after the consolidation, the same number of Trust Units as the Unitholder held before the non-cash distributions, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Subject to the foregoing, the Trust may also allot and issue Trust Units or other securities at such time or times and in such manner as the Manager in its sole discretion shall determine. The Declaration of Trust further provides that the Trust may issue rights, options or warrants pursuant to an offering of such rights, options or warrants to all or substantially all of the Unitholders at such time or times and on such terms and conditions as the Manager may determine.

DESCRIPTION OF WARRANTS

The following is a summary only and subject to, and is qualified in its entirety by reference to, the detailed provisions in the Warrant Indenture.

Subscription Basis and Warrant Expiry Time

Each whole Series A Warrant entitles the holder to receive one Trust Unit and one-half of one Series B Warrant, upon the exercise of such Series A Warrant in accordance with its terms (including payment of an exercise price of \$12.00) at any time on or prior to 5:00 p.m. (Toronto time) on the Series A Warrant Expiry Date. A holder who exercises a Series A Warrant in accordance with the terms thereof will become a holder of a Trust Unit and one-half of one Series B Warrant. **SERIES A WARRANTS THAT ARE NOT EXERCISED PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE SERIES A WARRANT EXPIRY DATE WILL BE VOID AND OF NO VALUE.**

Each Series B Warrant will entitle the holder thereof to acquire one Trust Unit, upon the exercise of such Series B Warrant in accordance with its terms (including payment of an exercise price of \$15.00) at any time on or prior to 5:00 p.m. (Toronto time) on the Series B Warrant Expiry Date. **SERIES B WARRANTS THAT ARE NOT EXERCISED PRIOR TO THE SERIES B WARRANT EXPIRY DATE WILL BE VOID AND OF NO VALUE.**

No fractional Trust Units will be issued upon the exercise of any Warrant. No fractional Series B Warrant will be issued upon any exercise of Series A Warrants, and any entitlement to any fractional Series B Warrant will be terminated at the time of exercise of such Series A Warrants and no consideration will be payable in lieu thereof.

Warrant Agent

Computershare Trust Company of Canada has been appointed the agent (the “Warrant Agent”) of the Trust to receive subscriptions and payments from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants pursuant to a Warrant Indenture. Holders of Warrants desiring to exercise such Warrants and purchase Trust Units should

ensure that Warrant certificates, including duly executed exercise forms and payment in full of the exercise price therefor is received by the Warrant Agent prior to the applicable Warrant Expiry Time for such Warrants.

Delivery Form and Denomination of the Warrants

All Unitholders hold their Warrants through a CDS Participant, except where the issuance of physical certificates evidencing ownership in such securities is necessary to deal with Warrant exercises and restricted and/or legended securities. The Trust expects that each purchaser of Units under the Offering will receive a confirmation of the number of Warrants issued to it from its CDS Participant in accordance with the practices and procedures of that CDS Participant. CDS will be responsible for establishing and maintaining book-based accounts for its participants holding Warrants.

None of the Trust, the Manager, the Warrant Agent or the Agents will have any liability for: (a) the records maintained by CDS or CDS Participants relating to the Warrants or the book-based accounts maintained by them; (b) maintaining, supervising or reviewing any records relating to such Warrants; or (c) any advice or representations made or given by CDS or CDS Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or its participants.

The ability of a person having an interest in Warrants held through a CDS Participant to pledge such interest or otherwise take action with respect to such interest (other than through a CDS Participant) may be limited due to the lack of a physical certificate. Holders must arrange purchases, transfers, and for the issuance of Warrant certificates for the purpose of exercises, of Warrants through CDS Participants.

Subscription Right

CDS Participants that hold Warrants for more than one beneficial holder may, upon providing evidence satisfactory to the Trust and the Warrant Agent, exercise Warrants on behalf of their accounts on the same basis as if the beneficial owners of Trust Units were holders of record at Closing.

A subscriber may subscribe for the resulting whole number of Trust Units or any lesser whole number of Trust Units by instructing the CDS Participant holding the subscriber's Warrants to exercise all or a specified number of such Warrants and forwarding to such CDS Participant, \$12.00 per whole Series A Warrant or, \$15.00 per whole Series B Warrant, as applicable, (the "Subscription Price") for each such Warrant being exercised in accordance with the terms of the Offering.

The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order drawn to the order of a CDS Participant, by direct debit from the subscriber's brokerage account, or by electronic funds transfer or other similar payment mechanism. All payments must be forwarded to the appropriate office of the CDS Participant. The entire Subscription Price for Trust Units and, if applicable, Series B Warrants subscribed for must be paid at the time of subscription and must be received by the Warrant Agent prior to the Warrant Expiry Time. Accordingly, a subscriber subscribing through a CDS Participant or directly as a registered Warrant holder must deliver payment by certified cheque, bank draft or money order and Warrant certificates, including duly executed exercise forms sufficiently in advance of the Warrant Expiry Time and must allow the CDS Participant sufficient time to properly exercise the Warrants on its behalf. Unitholders are encouraged to contact their broker or other CDS Participant as each CDS Participant may have a different cut-off time.

Payment of the Subscription Price to the CDS Participant will constitute a representation that the subscriber is not a citizen or resident of the United States of America, its territories or possessions or the agent of any such person and is not purchasing the Trust Units and, if applicable, Series B Warrants, for resale to any such person.

Subscriptions for Trust Units and, if applicable, Series B Warrants, made through a CDS Participant or directly as a registered Warrant holder will be irrevocable and subscribers will be unable to withdraw their subscriptions for such Trust Units and, if applicable, Series B Warrants, once submitted.

Holders of Warrants who wish to exercise their Warrants and receive Trust Units and, if applicable, Series B Warrants, are reminded that Warrant exercise processes may take a significant amount of time from the date of

exercise and the date on which the Trust Units and, if applicable, Series B Warrants, issuable upon the exercise thereof are issued to the holder.

Sale or Transfer of Warrants

Holders of Warrants in Canada may, instead of exercising their Warrants to subscribe for Trust Units, sell or transfer their Warrants. Holders of Warrants through CDS Participants who wish to sell or transfer their Warrants must do so in the same manner in which they sell or transfer Trust Units, namely, by providing instructions to the CDS Participant holding their Warrants in accordance with the policies and procedures of the CDS Participant. The Warrants may not be exercised by any U.S. Person or any person within the United States or for the account or benefit of a U.S. Person, subject to certain exceptions and conditions.

Dilution to Existing Unitholders

The subscription rights in effect under the Warrants for Trust Units and, if applicable, Series B Warrants, issuable upon the exercise of the Warrants shall be subject to adjustment from time to time if, prior to the applicable Warrant Expiry Time, the Trust shall:

- (a) subdivide, re-divide or change its outstanding Trust Units into a greater number of Trust Units;
- (b) reduce, combine or consolidate its outstanding Trust Units into a smaller number of Trust Units;
- (c) issue to all or substantially all of the holders of Trust Units of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Trust Units, or securities exchangeable for or convertible into Trust Units, at a price per Trust Unit (or at an exchange or conversion price per Trust Unit) of less than 95% of the Current Market Price, as defined in the Warrant Indenture, for Trust Units on such record date;
- (d) reclassify the Trust Units or reorganize the capital of the Trust;
- (e) issue Trust Units or securities exchangeable for, or convertible into, Trust Units to all or substantially all of the holders of Trust Units as a distribution other than a distribution of Trust Units upon the exercise of the Warrants; and
- (f) consolidate, amalgamate, or merge the Trust with or into any other trust or other entity, or sell or convey the property and assets of the Trust as an entirety or substantially as an entirety (other than in connection with the redemption or retraction of Trust Units).

DISTRIBUTION POLICY

From time to time, the Trust may, at the discretion of the Manager, choose to make distributions to holders of Trust Units, and in any event, the Trust will make payable in each calendar year its income for tax purposes and capital gains to ensure that the Trust will not be liable for income tax under the Tax Act. Distributions may be paid in cash or Trust Units, or any combination thereof. If distributions are made in Trust Units, a Unitholder's Canadian tax liability may be increased by an amount in excess of the cash, if any, distributed to such Unitholder. See "Canadian Federal Income Tax Considerations".

MARKET PURCHASES

Subject to applicable law, the Trust may at any time purchase Trust Units for cancellation at prices not exceeding the most recently calculated NAV per Trust Unit and on such terms and conditions as the Manager may determine.

BOOK-BASED SYSTEM

Registration of interests in, and transfers and pledges of, the Trust Units and Warrants will be made through the book-based system of CDS except where physical certificates evidencing ownership in such securities are required to deal with Warrant exercises and restricted and/or legended securities. Trust Units and Warrants of beneficial owners must be purchased, transferred and surrendered for retraction or redemption only through a CDS Participant. All rights of a beneficial owner of Trust Units and Warrants must be exercised through, and all payments or other property to which such beneficial owner is entitled will be made or delivered by, CDS or the CDS Participant through which the beneficial owner holds such Trust Units and Warrants. Upon purchase of any Trust Units and Warrants, the owner will receive only the customary confirmation.

None of the Trust, the Trustee, the Manager nor the agents thereof will have any liability for: (a) records maintained by CDS relating to the beneficial interests in the Trust Units and Warrants or the book-based accounts maintained by CDS; (b) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (c) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Trust Units and Warrants to pledge such Trust Units and Warrants or otherwise take action with respect to such owner's interest in such Trust Units and Warrants (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Trust can, however, issue physical certificates evidencing ownership in such Trust Units and Warrants where such certificates are necessary to deal with Warrant exercises and restricted and/or legended securities.

The Trust has the option to terminate registration of the Trust Units and Warrants through the book-based system in which case certificates for Trust Units and Warrants in fully registered form would be issued to beneficial owners of such securities or to their nominees.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of the Unitholders may be convened by the Trustee or the Manager at any time and must be convened within 60 days after the Trustee or the Manager, as applicable, receives a written requisition from holders of not less than 25% of the Trust Units then outstanding, specifying the purpose or purposes for which such meeting is to be called.

Not less than 21 days' notice and not more than 50 days' notice will be given for any meeting of Unitholders. The quorum for any meeting of Unitholders is two or more Unitholders, present in person or represented by proxy, entitled to vote Trust Units representing not less than 25% of the Trust Units then outstanding. If no quorum is present at such meeting when called, the meeting shall be adjourned for not less than 14 days and the Unitholders present in person or represented by proxy at such adjourned meeting will form the necessary quorum, except in the event such meeting was requisitioned by Unitholders, in which case the meeting will be dissolved. At any such meeting of Unitholders, each Unitholder will be entitled to one vote for each whole Trust Unit held. The Trust does not intend to hold annual meetings of Unitholders.

Acts Requiring Unitholder Approvals

The following may only be undertaken with the approval of Unitholders by a resolution approved by a 75% majority vote cast at a meeting of Unitholders:

- (a) except as otherwise provided herein, any material amendment to the Declaration of Trust;
- (b) the sale of all or substantially all the assets of the Trust other than in the ordinary course;
- (c) any proposed change by the Manager in the Investment Objective or Investment Restrictions, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

- (d) any material change in the Management Agreement;
- (e) any increase in the Management Fee, Management Incentive Fee or Service Fee (as defined in the Declaration of Trust);
- (f) any amendment, modification or variation in the provisions or rights attaching to the Trust Units;
- (g) the removal of the Manager as described under “Summary of the Management Agreement”;
- (h) the removal of the Trustee as described under “The Trustee”; and
- (i) a reduction in the frequency of calculating NAV per Trust Unit to less often than each Business Day.

In addition, the Manager may, with the approval of Unitholders by a resolution approved by not less than 50% of the votes cast at such meeting of Unitholders, merge the Trust into another investment fund or permit another investment fund to merge into the Trust (a “Permitted Merger”), provided that Unitholders are permitted to redeem their Units upon written notice to the Trust not more than 10 days after such meeting is held, at a redemption price equal to the fair value of the Trust Units, determined as of the close of business on the day prior to the date on which such approval of Unitholders was obtained.

Amendments to the Declaration of Trust Without Unitholder Consent

The Trustee is entitled to amend the Declaration of Trust without the consent of, or notice to, the Unitholders, to:

- (a) ensure compliance with applicable laws, regulations or requirements of any governmental authority having jurisdiction over the Trust;
- (b) maintain the status of the Trust as a “unit trust” and a “mutual fund trust” under the Tax Act or to avoid any obligation to restructure the Trust or to register the Trust under the Investment Companies Act of 1940 (United States);
- (c) make changes or corrections which counsel for the Trust advise are necessary or desirable for the correction of typographical mistakes or are required for the purpose of curing any ambiguity or defective or inconsistent provisions or omissions or manifest error or, conforming with this prospectus; or
- (d) provide added protection for Unitholders upon the advice of counsel to the Trust, but only if such amendments do not in the opinion of the Manager materially adversely affect the interests of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which require neither approval of nor prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Trustee at the request of the Manager, upon not less than 30 days’ prior written notice to Unitholders.

The Declaration of Trust provides that if a take-over bid is made for the Trust Units and not less than 90% of the Trust Units (but not including any Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by the Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Reporting to Unitholders

The Trust will deliver to Unitholders annual and interim financial statements of the Trust and other reports, in each case as from time to time are required by applicable law or applicable regulatory authorities.

Prior to any meeting of Unitholders, the Trust will provide to Unitholders, together with the notice of such meeting, all such information as is required by applicable law to be provided to such Unitholders.

Non-Resident Unitholders

At no time may persons who are non-residents of Canada or partnerships which are not “Canadian partnerships” for the purposes of the Tax Act (“non-residents”) be the beneficial owners of a majority of the Units and the Trustee shall inform the Transfer Agent and Registrar of this restriction. The Trustee may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Trust Units then outstanding are, or may be, non-residents, or that such a situation is imminent, the Trustee may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration that the person is not a non-resident. If the Trustee determines that 45% or more of the Trust Units then outstanding are beneficially held by non-residents, the Trustee shall send a notice to such non-resident Unitholders, chosen in inverse order to the order of acquisition or in such manner as the Trustee may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 30 days to residents of Canada or partnerships which are “Canadian partnerships” for the purposes of the Tax Act. If the Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustee with satisfactory evidence that they are not non-residents within such period, the Trustee may on behalf of such Unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected holders shall cease to be beneficial holders of Trust Units and their rights shall be limited to receiving the net proceeds of sale of such Trust Units.

Notwithstanding the foregoing, the Trustee may determine not to take any of the actions described above if the Trustee has been advised by legal counsel that the failure to take any such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

TERMINATION OF THE TRUST

The Trust does not have a fixed termination date. The Manager may, at its discretion, terminate the Trust without the approval of the Unitholders if, in its opinion, it would be in the best interests of the Trust and the Unitholders to terminate the Trust.

Immediately prior to the termination of the Trust (the “Termination Date”), the Manager will, to the extent practicable, convert the assets of the Trust to cash and the Trustee shall, after paying or making adequate provision for all of the Trust’s liabilities, distribute the net assets of the Trust to Unitholders either as soon as practicable after the Termination Date or, should the termination occur in connection with a Permitted Merger as contemplated in the preceding sentence, any unliquidated assets may be distributed in specie rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. Following such distribution, the Trust will be dissolved. The Manager may, in its discretion and upon not less than 30 days’ prior written notice to Unitholders, extend the Termination Date by a maximum of 180 days if the Manager would be unable to convert all the assets of the Trust to cash and the Manager determines that it would be in the best interests of the Unitholders to do so.

Pursuant to the Declaration of Trust, the Trust may also be terminated in the event that the Manager resigns or is removed and a successor Manager is not appointed. If such failure to appoint a successor Manager should occur, the Trust shall be terminated upon the effective date of the resignation or removal of the Manager, the assets of the Trust shall be distributed in accordance with the Trust termination provisions and the Trustee shall continue to act as trustee of the Trust until all of the assets of the Trust have been so distributed.

In the event of termination of the Trust by the Manager without the approval of Unitholders, the TSX will require: (a) that the Trust provide notice to Unitholders of no less than 30 days and no more than 60 days of the

Termination Date; (b) that the Trust issue a press release at least 10 days in advance of the Termination Date; and (c) that notice includes the entitlement of Unitholders upon early termination.

USE OF PROCEEDS

The proceeds from the Offering will be as follows:

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Gross proceeds to the Trust	\$20,000,000	\$100,000,000
Agents' fees	\$ 1,200,000 ⁽¹⁾	\$ 6,000,000 ⁽¹⁾
Estimated expenses of issue	\$ 975,000	\$ 975,000
Net proceeds to the Trust	\$17,825,000	\$ 93,025,000

Notes:

(1) No Agents' fee will be payable on any acquisitions of Units by the Manager directly or indirectly through its parent company and/or its affiliates. See "Participation of the Manager in the Offering". The Manager has agreed to pay expenses incurred in connection with the Offering, excluding: (a) TSX listing fees, and (b) any and all GST payable on expenses incurred in connection with the Offering, that exceed 1.5% of the gross proceeds of the Offering.

The Trust will pay the amounts required to fund the Agents' and the Manager's fees and expenses of the Offering, and the net proceeds of the Offering will be invested to meet the Investment Objective, subject to the Investment Strategies and the Investment Restrictions.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement dated as of December 20, 2007, the Agents have agreed to offer the Units for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee of 6% of the gross proceeds of the Offering (\$0.60 per Unit) upon the Closing Date and will be reimbursed for certain out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units that are not sold.

The Trust will neither issue nor announce any intention to directly or indirectly, sell or issue, or negotiate or enter into an agreement to sell or issue, any Trust Units or securities convertible, exchangeable or exercisable into Trust Units for a period of 180 days subsequent to the Closing Date of the Offering without the prior written consent of the Agents, which consent shall not be unreasonably withheld or delayed.

If subscriptions for a minimum of 2,000,000 Units have not been received within 90 days following the date of issuance of a final receipt for the prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed for Units on or before such date. During the 90 day period funds received for subscription will be held by a depository which is a registrant, bank or trust company and if the minimum number of units is not sold, funds will be returned to subscribers without interest or deduction. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The Manager reserves the right to close the subscription books at any time without notice. Closing is expected to take place on January 25, 2008, or such later date that is on or before January 31, 2008, as may be agreed upon by the Manager and the Agents.

The TSX has conditionally approved the listing of the Trust Units and the Warrants subject to the Trust fulfilling all of the requirements of the TSX on or before February 18, 2008.

The Agency Agreement provides that the Trust will indemnify the Agents and their respective directors, officers and employees against certain liabilities and expenses and/or will contribute to payments that the Agents

may be required to make in respect thereof. The Agency Agreement also provides that the Agents will not sell, or offer for sale, the Units in the United States other than pursuant to the terms for offering to United States purchasers as set forth in the Agency Agreement and the Agents have agreed to indemnify the Trust for any breach of this covenant by the Agents.

Dundee Securities Corporation, an Agent in the Offering, is an affiliate of the Manager under applicable Canadian securities legislation. Consequently, the Trust may be considered to be a “connected issuer” and/or a “related issuer” of Dundee Securities Corporation under applicable Canadian securities legislation. The decision of Dundee Securities Corporation to participate in the Offering was made independently of the Manager. Dundee Securities Corporation will receive no benefit in connection with the Offering other than receiving a portion of the Agents’ fees described under “Use of Proceeds”. RBC Dominion Securities Inc., an agent in respect of which neither the Trust nor the Manager is a related or connected issuer, has participated in the structuring and pricing of the Offering, and in the due diligence activities performed by the Agents for the Offering.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Such transactions, if commenced, may be discontinued at any time.

The Units and the Trust Units and the Warrants comprising the Units offered hereby and the Trust Units underlying the Warrants have not been and will not be registered under the United States Securities Act of 1933 (the “U.S. Securities Act”) or the securities laws of any state in the United States and may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act. The Agency Agreement, however, permits the Agents to offer and sell the Units, in accordance with applicable law, to institutional accredited investors who meet the definition of “Qualified Purchaser” as contained in the Investment Company Act of 1940, in a manner exempt from the registration requirements of the U.S. Securities Act. The Agency Agreement provides that the Agents will only offer and sell the Units outside the United States to non-U.S. persons in compliance with Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, the Trust Units or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made in accordance with an exemption from registration under the U.S. Securities Act.

The Warrants may not be exercised by any U.S. Person or any person within the United States or for the account or benefit of a U.S. Person, subject to certain exceptions and conditions.

RISK FACTORS

An investment in the Units offered hereby involves certain risks, and is appropriate only to investors that have the capacity to absorb a loss of some or all of their investment and that can withstand the effect of no distributions being made of any kind. In addition to the other information contained in this prospectus, prospective purchasers should give careful consideration to the following risk factors.

Risks Related to the Investment Objective and Strategies

Industry Concentration

Because of its concentration in the securities of junior, intermediate and senior mining issuers that are engaged in the production of and/or exploration for precious metals and minerals, the Portfolio may experience greater volatility than that of a broader-based investment fund. The profitability of issuers involved in mining and exploration is significantly affected by changes in the market prices of metals and minerals (for further details, see “Price Volatility of Metals and Minerals and Currency Fluctuations” below). Mining and exploration issuers also face risks related to their operations that may affect overall profitability. These risks include the uncertainty and cost of mineral exploration and acquisitions and the uncertainties and unexpected problems and delays in developing mines. See “Exploration and Mining Risks” below.

Price Volatility of Metals and Minerals and Currency Fluctuations

The operations and financial condition of the issuers in which the Trust will invest and, accordingly, the amount of dividends paid on, and the value of, such securities, will be dependent significantly on prices of precious metals, minerals and base metals applicable to such issuers.

Prices of precious metals, minerals and base metals are subject to volatile price movements over shorter periods of time and are affected by numerous factors, all of which are beyond the individual issuer’s control. The factors include global and regional industrial and jewelry demand, central bank lending, sales and purchases of precious metals, levels of productions, costs of production and speculative activities. Prices of precious metals, minerals and base metals may also be affected by macroeconomic factors, including expectations of future rate of inflation, strength and confidence in U.S. dollar, and other currencies, interest rates and global or regional political or economic events. Movement in the price of precious metals, minerals and base metals affects the value of securities of issuers which may be held by the Trust, and could have an adverse effect on the dividends received from the issuers included in the Trust’s Portfolio and the value of such issuers’ securities.

In addition, gold prices are denominated generally in U.S. dollars and the Portfolio may include securities traded in U.S. dollars or other foreign currencies. Accordingly, the NAV of the Trust when measured in Canadian dollars will be affected by changes in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

Smaller Issuer and Private Issuer Risk

The Trust also may invest in the securities of less seasoned and smaller, mid-capitalization and/or private mining and exploration issuers. Investments in the securities of these issuers may present greater opportunities for growth, but also involve greater risks than are customarily associated with investments in securities of more established and larger capitalization issuers.

The securities of less seasoned and smaller capitalization issuers are often traded in the over-the-counter market and have fewer market makers and wider price spreads, which may in turn result in more abrupt and erratic market price movements and make the Trust’s investments more vulnerable to adverse general market or economic developments than would investments only in large, more established mining and exploration issuers. It is more difficult to obtain information about less seasoned and smaller capitalization issuers because they tend to be less well known and have shorter operating histories and because they tend not to have significant ownership by large investors or be followed by many securities analysts. Investments in larger and more established issuers present certain advantages in that such issuers generally have greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities, more stability and greater depth of management and technical personnel.

Investment in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. This may impair the Trust's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk.

Debt Securities

The portfolio may include debt securities of issuers which may have low ratings from credit rating agencies or may be unrated. Such debt securities may be regarded as speculative with respect to the issuer's ability to meet principal and interest payment obligations. They may also be more susceptible to adverse economic and competitive industry conditions than more highly rated securities and be less liquid than such securities.

Risks Related to Use of Leverage and Derivatives

Short Sale Equity Positions

The Trust may engage in short selling securities. A short sale of a security may expose the Trust to losses if the price of the security sold short increases because the Trust may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the Trust wishes to do so, thereby requiring the Trust to borrow the security elsewhere or purchase the security in the market at an unattractive price. If numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be purchased due to supply and demand constraints in the marketplace.

Leverage and the Loan Facility

The Trust may borrow additional capital to invest in securities comprising the Portfolio for the purpose of enhancing the potential returns of the Trust. The risk to Unitholders may increase if securities purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried, and will be lost in the event of a decline in the market value of such securities. Leveraging will thus tend to magnify the losses or gains from investment activities. The Manager will limit the leveraging position to an amount not exceeding 25% of NAV, as determined at the close of business on the date immediately prior to the time of the borrowing.

If at any time the amount owing under the Loan Facility is called by the lender, the Trust may be required to liquidate Portfolio Securities to repay the indebtedness. Such sales may occur at a time when the market for the Portfolio Securities is depressed, affecting the value of the Portfolio and the return to the Trust. In addition, the Trust may not be able to renew the Loan Facility on acceptable terms. Any collateral held by a lender as security for a loan, including margined borrowings, may be forfeited if the loan is not repaid in full.

For these reasons, there can be no assurance that the borrowing strategy employed by the Trust will enhance returns, and it may, in fact, reduce returns.

Counterparty Risk

Due to the nature of some of the investments that the Trust may undertake, the Trust relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Trust bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

Options, Futures and Other Derivative Transactions

The use of options, futures and other derivative transactions entails certain special risks. In particular, the variable degree of correlation between price movements of derivatives contracts and price movements in the related portfolio position of the Trust could create the possibility that losses on the hedging instrument will be greater than gains in the value of the Trust's position. In addition, futures, options and other derivative markets could be illiquid in some circumstances, and certain over-the-counter options could have no markets. As a result, in certain markets, the Trust might not be able to close out a position without incurring substantial losses. If the counterparty fails to make or take delivery of the security, currency or other instrument underlying an over the counter option it has entered into with the Trust or fails to make a cash settlement payment due in accordance with the terms of that option, the Trust will lose any premium it paid for the option as well as any anticipated benefit of the transaction. To the extent that the Trust utilizes futures, options and other derivative transactions for hedging, such transactions should tend to minimize the risk of loss due to a decline in the value of the hedged position and, at the same time, limit any potential gain to the Trust that might result from an increase in value of the position. There is, however, no limit on the amount of the Trust's assets that can be put at risk through the use of futures contracts, options and other derivative transactions thereon and the value of the Trust's futures contracts, options and other derivative transactions thereon may equal 100% of the Trust's total assets. Writing uncovered call options (i.e., where the Trust does not own the security or other investment that is subject to the call) entails the risk that the price of the underlying investment at the time the option is exercised may theoretically rise without limit. The risk of loss on uncovered put options written by the Trust is limited to the exercise price of the option less the premium received. Finally, the daily variation margin requirements for futures contracts create a greater ongoing potential financial risk than would purchases of options, in which case the exposure is limited to the cost of the initial premium and transaction costs. Losses resulting from the use of hedging will reduce the NAV, and possibly income, and the losses can be greater than if hedging had not been used.

Margined Securities

If the Trust uses leverage or engages in short selling, some or all of the Trust's assets may be held in one or more margin accounts, which may provide less segregation of customer assets than more conventional custody arrangements and, if a prime broker lends, pledges or hypothecates the Trust's assets in such margin accounts, there may be a loss of some or all of such assets. In addition, if there is a "margin call" in connection with any short-term margin borrowings, the Trust will be required to deposit additional funds or assets with the applicable broker or liquidate some or all of the margined assets to compensate for their decline in value. If the Trust is required to liquidate its assets, it is possible that the proceeds of such liquidation will not be sufficient to fully repay the Trust's margin debt.

Risks Related to Governance or Regulation

Reliance on the Manager

Although certain individuals of the Manager primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios, there is no certainty that such individuals will continue to provide their services to the Manager throughout the term of the Trust. Investors who are not willing to rely on the Manager should not invest in the Units.

In addition, pursuant to the Management Agreement, the Manager may resign as manager of the Trust on 90 days' prior written notice at any time. Accordingly, there is no assurance that the Manager will continue to provide management services to the Trust after that time. The Trust may not be able to readily secure similar services as those to be provided under the Management Agreement and its operations may therefore be adversely affected. Termination of the Management Agreement will not terminate the Trust, but will expose investors to the risks involved in whatever new management and administrative arrangements the Trust is able to negotiate.

Conflicts of Interest

Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Trust, each director and officer of the Manager will devote as much time as is necessary to

supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Trust and the Manager as applicable.

The Manager and its directors and officers and affiliates may engage in the promotion, management or investment management of or hold ownership interests in one or more funds or trusts other than the Trust, and may engage in transactions in the same types of securities and instruments as the Trust. Such transactions will, except as discussed below, be executed independently of transactions of the Trust and thus at prices or rates that may be more or less favourable than those obtained by the Trust.

The Trust has authorized the Manager to select the brokers or dealers that will execute the purchases and sales of the Trust's securities and other instruments. To the extent consistent with applicable law and the investment policies of the Trust, the Manager may select brokers or dealers related to the Manager, who may earn customary commissions or other fees from any such purchase and sale.

From time to time, the Trust's activities may be restricted due to regulatory restrictions applicable to the Manager and/or internal policies of the Manager designed to comply with such restrictions. As a result, there may be periods, for example, during which the Manager or the Trust may be restricted from engaging in certain transactions.

The Manager has an Independent Review Committee to review conflicts of interest relating to the Trust. See "Trust Governance — Board of Governors", "Trust Governance — Independent Review Committee" and "Conflicts of Interest".

Changes in Legislation and Administrative Policy

There can be no assurance that certain laws applicable to the Trust, including income tax laws, will not be changed in a manner which could adversely affect the distributions received by the shareholders. In addition, there can be no assurance that the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of Trust Units. The Trust may also be affected by changes in regulatory requirements, customs, duties or other taxes in Canada or in other countries. Such changes could, depending on their nature, benefit or adversely affect the Trust.

Taxation of the Trust

In determining its income for tax purposes, the Trust will treat option premiums received on the writing (selling) of covered call options and cash covered put options and any losses sustained on closing out options as capital gains or capital losses, as the case may be, in accordance with its understanding of CRA's published administrative policies and assessing practices. Gains or losses realized upon the disposition of shares and units (other than certain ETF units), including the disposition of shares and units held in the Portfolio upon exercise of a call option, will be treated as capital gains or losses. The CRA's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained. If, contrary to the CRA's published administrative practices, some or all of the transactions undertaken by the Trust in respect of options and shares were treated as income rather than capital gains, after-tax returns to holders of Trust Units could be reduced and the Trust could be subject to non-refundable income tax from such transactions.

The scope of certain tax proposals released on October 31, 2003 (the "October 31 Proposals") limiting deductibility of losses is uncertain. As part of the February 23, 2005 Federal Budget the Department of Finance announced that it has developed an alternative proposal to the October 31 Proposals, which has not been released to date. If the October 31 Proposals are enacted in the form currently proposed, it is possible that losses of the Trust could be denied and the taxable amount of distributions to Unitholders could be increased. There can be no assurance that an alternative proposal will not adversely affect the Trust.

There can be no assurance that Canadian federal income tax laws and administrative policies respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. If the Trust ceases to qualify as a "mutual fund trust" under the Tax Act or fails to comply with the Investment Restrictions, the income tax considerations described under "Canadian Federal Income Tax Considerations" could be materially and adversely affected.

Minimum Distribution Requirements

The TSX has conditionally approved the listing of the Trust Units and the Warrants. Listing is subject to the Trust fulfilling all of the requirements of the TSX on or before February 18, 2008, including distribution of the Trust Units and Warrants to a minimum number of public shareholders. The Series B Warrants will not be posted for trading on the TSX until the minimum distribution requirements of there being at least 100 public holders of 100 Series B Warrants or more and at least 100,000 publicly held Series B Warrants are met. There can be no assurance that the Series B Warrants will meet the minimum distribution requirements of the TSX and, as a result, there can be no assurance that the Series B Warrants will be posted for trading on the TSX.

Risks Associated with the Performance of Securities in the Portfolio

Exploration and Mining Risks

The business of exploration for precious metals and minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At the time of investment in a mining issuer by the Trust, it may not be known if such mining issuer's properties have a known body of ore of commercial grade. Unusual or unexpected formations, formation pressures, fires, explosions, rock bursts, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the mining issuer to obtain suitable machinery, equipment or labour are all risks which may occur during exploration for and development of mineral deposits. Substantial expenditures are required in order to establish reserves through drilling, to develop metallurgical processes to extract the metal from the ore, to develop the mining, production, gathering or processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals, as applicable, will be discovered in sufficient quantities by the issuers in which the Trust may invest to justify commercial operations or that such issuers will be able to obtain the funds required for development on a timely basis or at all. The economics of developing mining properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, and such other factors as land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. There is no certainty that the expenditures to be made by the mining issuer in the exploration and development of the interests described herein will result in discoveries of commercial quantities of a resource.

No Assurance of Title or Boundaries, or of Access

While a mining issuer may have registered its mining claims, as applicable, with the appropriate authorities and filed all pertinent information to industry standards, this can not be construed as a guarantee of title. In addition, a mining issuer's properties may consist of recorded mineral claims or licences which have not been legally surveyed, and therefore, the precise boundaries and locations of such claims or leases may be in doubt and may be challenged. A mining issuer's properties may also be subject to prior unregistered agreements or transfers or land claims, and a mining issuer's title may be affected by these and other undetected defects.

Illiquid Assets

The Manager may acquire illiquid securities for the Portfolio, including securities of public and private issuers and through merchant banking opportunities. The Manager may be subsequently unable to dispose of such securities in quantities or at prices which are acceptable to the Manager, if the market for such securities is particularly illiquid. In addition, if the Manager in its discretion terminates the Fund, the Unitholders may receive distributions of securities for which there may be an illiquid market.

Foreign Country Risk

A mining issuer's mining property interests may be located in foreign jurisdictions, and its exploration operations in such jurisdictions may be affected in varying degrees by the extent of political and economic stability, and by changes in regulations or shifts in political or economic conditions that are beyond the control of the mining issuer. In addition, legal judgments may be more difficult or even impossible to enforce in a foreign jurisdiction.

Government Regulation

A mining issuer's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rate of exchange, return of capital and labour relations. Such factors may adversely affect the mining issuer's business and/or its mining property holdings. Although a mining issuer's exploration activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the mining issuer's operations. Amendments to current laws and regulations governing the operations of a mining issuer or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the mining issuer.

Environmental Regulation

A mining issuer's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas which would result in environmental pollution. A breach of such legislation may result in the imposition on the mining issuer of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of a mining issuer's operations.

Composition of the Portfolio

The composition of the Portfolio taken as a whole may vary widely from time to time but will be concentrated by type of security, commodity, industry or geography, resulting in the Portfolio being less diversified than other closed-end funds.

Recession Risk

In the case of interest rate sensitive commodities and securities, the value of a commodity or security may change as the general level of interest rates fluctuates. The U.S. and world economy could slip into a recession. Recessions have historically depressed commodity prices, the rate of inflation and (often) the demand for gold and other precious metals.

Interest Rate Fluctuations

Interest rates are generally increased when mid-cycle slow-downs and investor confidence resume after market crashes. Rising interest rates are not positive for the price of gold and other precious metals.

Other Risks Related to Investing in the Trust

No Assurance of Achieving Investment Objective

There is no assurance that the Trust will be able to achieve its Investment Objective. The amounts available for distribution to Unitholders will vary according to, among other things, the levels of distributions paid on the securities comprising the Portfolio and the market value of the securities comprising the Portfolio. There is no assurance that the Portfolio will earn any return.

No Guaranteed Return

There is no guarantee that an investment in the Trust will earn any positive return in the short or long-term. An investment in the Trust is appropriate only for investors who have the capacity to absorb the loss of all of their investment.

Operating History and Absence of Prior Public Market

The Trust is a newly organized investment trust with no previous operating history. Prior to the Offering, there has been no public market for the Trust Units or Warrants. The initial public offering price has been

determined by negotiation among the Trust and the Agents based on several factors, and may bear no relationship to the price at which the Trust Units and Warrants will trade in a public market, if any, subsequent to the Offering. There is currently no public market for the Trust Units and Warrants and there can be no assurance that an active public market will develop or be sustained after completion of the Offering. See “Plan of Distribution”.

Status of the Trust

As the Trust is not a mutual fund as defined under Canadian securities laws, the Trust is not subject to the Canadian policies and regulations that apply to open-end mutual funds. As a result, some of the protections provided to investors in open-end mutual funds under such laws will not be available to investors in the Trust Units, including the restrictions placed on public mutual funds to ensure diversification and liquidity of the Portfolio. The Trust will, however, be a mutual fund trust for purposes of the Tax Act.

Trading Price of Trust Units

Securities of closed-end investment funds frequently trade at a discount from their NAV and initial offering price. The Trust Units may trade in the market at a premium or discount to the applicable NAV from time to time and there can be no assurance that the Trust Units will trade at a price equal to the applicable NAV. This risk is separate and distinct from the risk that the NAV may decrease. The Trust cannot predict whether its Trust Units will trade at, below or above the NAV.

The Trust anticipates that the market price of the Trust Units will vary from the NAV. The market price of the Trust Units will be determined by, among other things, the relative demand for and supply of Trust Units in the market, the Trust’s investment performance, the Trust Units’ yield and investor perception of the Trust’s overall attractiveness as an investment as compared with other investment alternatives.

Nature of the Units

The Trust Units represent a fractional interest in the assets of the Trust. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

If a Unitholder does not exercise or sell the Warrants, then the value of the Trust Units held by that Unitholder may be diluted as a result of the exercise of Warrants by others.

Closed-End Funds

Subject to investment restrictions, the Trust may invest in closed-end funds in certain circumstances. Closed-end funds typically have their own management fees and expenses which will reduce the value of their securities, and may trade at different values to their underlying NAV. The Manager will be entitled to its fees in respect of the market value of the closed-end fund investments made by the Trust.

CONFLICTS OF INTEREST

The Manager

The Manager will be responsible for the management, administration and investment management of the Portfolio held by the Trust. The Manager provides, and may in the future provide management and/or investment advisory services to other funds, limited partnerships or other investment funds or managed accounts in addition to the Trust. In the event that the Manager elects to undertake such activities and other business activities in the future, the Manager and its principals may be subject to conflicting demands in respect of allocating management time, services and other functions. The Manager and its principals and affiliates will endeavour to treat each client, investment pool and managed account fairly and not to favour one client, investment pool or managed account over another.

In executing its duties on behalf of the Trust, the Manager will be subject to the provisions of the Management Agreement and the Manager’s Code of Ethics (a copy of which is available for review upon request at the offices of the Manager), which provide that the Manager will execute its duties in good faith and with a view to the best interests of the Trust and its Unitholders.

The Manager may execute a portion of the Portfolio transactions through an “affiliate” (as such term is defined in the *Securities Act* (Ontario)) which is a registered investment dealer, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm’s length for comparable services.

The possible conflicts of interest between the Manager and the Trust will be addressed by the Independent Review Committee, the Code of Ethics and the policies and practices of the Manager, including in connection with risk management. See “Trust Governance”.

The Trustee

The Declaration of Trust acknowledges that the Trustee may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm’s length for comparable services.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Trust, and Ogilvy Renault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a person who is an individual (other than a trust), who acquires Units pursuant to the Offering and who, for the purposes of the Tax Act, is resident in Canada, deals at arm’s length with the Trust and holds the Units as capital property.

Generally, Trust Units and Warrants will be considered to be capital property to a purchaser provided that the purchaser does not hold Trust Units or Warrants in the course of carrying on a business of buying and selling securities and has not acquired Trust Units or Warrants in one or more transactions considered to be an adventure in the nature of trade. Certain purchasers who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have Trust Units treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election is unavailable in respect of the Warrants. This summary also assumes that the Trust will hold the Portfolio Securities (other than commodities and certain ETF units) as capital property.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “Regulations”), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) (“Minister”) prior to the date hereof (the “Tax Proposals”), and counsel’s understanding of the current published administrative policies and assessing practices of the CRA. This summary assumes that the Tax Proposals will be enacted as proposed. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law, whether by way of legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax legislation or considerations. There is no assurance that the Tax Proposals will be enacted in the form proposed or at all.

This summary is also based on the assumption that the Trust will at no time be a “SIFT trust” (specified investment flow-through trust) as defined in the Tax Act. Provided that the Trust does not hold “non-portfolio property”, as defined in the Tax Act, it will not be a SIFT trust. Based upon its investment objective and investment restrictions, as described under the headings “Investment Strategies” and “Investment Restrictions”, respectively, the Trust should not hold any “non-portfolio properties”.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units and Warrants and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Trust Units and Warrants. Moreover, the income and other tax consequences of acquiring, holding or disposing of Trust Units and Warrants will vary according to the status of the investor, the provincial or territorial jurisdiction(s) in which the investor resides or carries on business and, generally, the investor’s own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular investor. **Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Trust Units and Warrants, based upon the investor’s particular circumstances.**

This summary is based on the assumption that the Trust will qualify at all times as a “unit trust” and a “mutual fund trust” within the meaning of the Tax Act. In order to so qualify, the Trust must comply on a continuous basis with certain investment criteria referred to under “Investment Restrictions” and certain minimum distribution requirements relating to the Trust Units. The Manager has advised counsel that the Trust intends to make an election so that it may qualify under the Tax Act as a mutual fund trust from the commencement of its first taxation year. **In the event the Trust were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.** This summary is also based on the assumptions that the Trust will comply with the Investment Restrictions.

Taxation of the Trust

The Trust will be subject to tax under Part I of the Tax Act on the amount of its income for the year, including the taxable portion of net realized capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. Provided the Trust makes distributions in each year of its net income and net realized capital gains, as described under “Distribution Policy”, and provided the Trust deducts in computing its income the full amount available for deduction in each year, the Trust will not generally be liable for income tax under Part I of the Tax Act.

The Trust will be required to include in its income for each taxation year, any dividends received (or deemed to be received) by it in such year on a Portfolio Security and all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

The Portfolio may include securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Trust may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to the Canadian dollar.

The Trust may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent of a) foreign income tax paid, which is not in excess of 15% of such foreign income, and b) foreign capital gains tax paid, neither of which has been deducted in computing the Trust’s income, the Trust may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that foreign income tax paid by the Trust exceeds 15% of the amount included in the Trust’s income from such investments, such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act.

In computing its income for tax purposes, the Trust may deduct reasonable administrative and other expenses incurred to earn income, generally including interest on borrowed funds used to purchase securities to be included in the Portfolio. The Trust may deduct the costs and expenses of the Offering paid by the Trust and not reimbursed at a rate of 20% per year, pro-rated where the Trust’s taxation year is less than 365 days.

It is possible that, if the October 31 Proposals are enacted in the form originally proposed, the deduction of losses of the Trust in a particular taxation year could be limited. Under these Tax Proposals, with effect for taxation years commencing after 2004, a taxpayer will have a loss for a taxation year from a particular source that is a business or property only if, in that year, it is reasonable to expect that the taxpayer will realize a cumulative profit from the business or property during the time that the taxpayer has carried on the business or has held the property, and can reasonably be expected to carry on the business or hold the property. Profit in this sense will not include capital gains. If the deduction of losses of the Trust was limited in a particular year, the taxable income of the Trust would be increased along with the taxable amount of distributions to Unitholders. On February 23, 2005, the Minister announced that an alternative proposal to replace the Tax Proposals of October 31, 2003 would be released for comment. No such alternative proposal has been released to date.

Upon the actual or deemed disposition of a security included in the Portfolio, the Trust will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security provided such security is capital property to the Trust. The Trust will be required to include in the calculation of its income the gains or losses in respect of

transactions in commodities and certain derivatives. Such gains or losses will generally be treated on income account.

The Trust will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemption of Trust Units during the year (“capital gains refund”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

Taxation of Unitholders

Allocation of Cost

A reasonable allocation of the purchase price of the Units between the Trust Units and the Warrants will be required for tax purposes. The Manager has advised counsel that the Trust will allocate \$0.60 to each Warrant. Such allocation is not binding on the CRA and the CRA may not agree with such allocation.

Holding and Disposition of Trust Units

A Unitholder will generally be required to include in income for a particular taxation year of the Unitholder such portion of the net income, including the taxable portion of the net realized capital gains, of the Trust for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in cash or reinvested in additional Trust Units. Provided that appropriate designations are made by the Trust, such portion of (i) the net realized taxable capital gains of the Trust, (ii) the foreign source income of the Trust and foreign income taxes eligible for the foreign tax credit, and (iii) the taxable dividends received by the Trust on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

The non-taxable portion of net realized capital gains of the Trust that are paid or become payable to a Unitholder in a year will not be included in computing the Unitholder’s income for the year and will not, provided the appropriate designations are made by the Trust, reduce the adjusted cost base of the Trust Units. Any other amount in excess of a Unitholder’s share of the net income of the Trust for a taxation year that is paid or becomes payable to the Unitholder in such year will not generally be included in computing the Unitholder’s income for the year but will reduce the adjusted cost base of Trust Units to the Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain.

The NAV per Trust Unit will reflect any income and gains of the Trust that have accrued or been realized but have not been made payable at the time Trust Units are acquired. A Unitholder who acquires Trust Units may become taxable on the Unitholder’s share of such income and gains of the Trust. If the Trust elects to have a December 15 year-end, where a Unitholder acquires Trust Units in a calendar year after December 15 of such year, such Unitholder may become taxable on income that accrued or had been realized in the taxation year ending on December 15 of such calendar year but had not been made payable at the time the Trust Units were acquired.

Upon the disposition or deemed disposition by a Unitholder of a Trust Unit, whether on a sale, redemption, repurchase or otherwise, a capital gain (or capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Trust Unit to the Unitholder immediately before the disposition. In computing the adjusted cost base of any Trust Units acquired by a Unitholder hereunder or on a reinvestment of distributions from the Trust, the cost of such Trust Units must be averaged with the adjusted cost base of any other Trust Units then held by the Unitholder as capital property.

One-half of any capital gain (a “taxable capital gain”) realized by a Unitholder or designated by the Trust in respect of the Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an “allowable capital loss”) realized by a Unitholder in a taxation year may be deducted from taxable capital gains realized by the Unitholder or designated by the Trust in respect of the

Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, against taxable capital gains realized in such year, to the extent and under the circumstances provided for in the Tax Act.

Capital gains realized on the disposition of Trust Units or amounts designated by the Trust to a Unitholder as taxable capital gains or as taxable dividends from taxable Canadian corporations may give rise to a liability for alternative minimum tax.

Warrants

The exercise of a Warrant will not constitute a disposition of property for purposes of the Tax Act and, consequently, no gain or loss will be realized upon the exercise of a Warrant. A Trust Unit acquired by a Unitholder upon the exercise of a Warrant will have a cost to the Unitholder equal to the aggregate of the subscription price for such Trust Unit and the adjusted cost base, if any, to the Unitholder of the Warrant so exercised. The cost of a Trust Unit acquired by a Unitholder upon the exercise of a Warrant will be averaged with the adjusted cost base to the Unitholder of all other Trust Units held at that time as capital property to determine the adjusted cost base of each such Trust Unit to the Unitholder.

Upon the disposition of a Warrant by a Unitholder, other than pursuant to the exercise thereof, the Unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of reasonable costs of the disposition, exceed (or are less than) the adjusted cost base, if any, of the Warrant to the Unitholder. Any such capital gain (or capital loss) will be treated as described above under “— Holding and Disposition of Trust Units”.

Upon the expiry of an unexercised Warrant, a Unitholder will realize a capital loss equal to the adjusted cost base, if any, of the Warrant to the Unitholder.

ELIGIBILITY FOR INVESTMENT

The Trust Units and Warrants will be qualified investments for a trust governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans (each, a “plan trust”) provided that the Trust qualifies, and continues at all times to qualify, as a “mutual fund trust” within the meaning of the Tax Act or the Trust Units are listed on the TSX (or other designated stock exchange), and, with respect to the Warrants only, the Trust deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under the governing plan of the plan trust.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Trust and the Manager entered into the Management Agreement pursuant to which the Manager agreed to provide management, administrative and investment advisory services to the Trust, for which it will receive certain fees and reimbursement of expenses. See “Summary of the Management Agreement”.

The Manager intends to acquire, directly or indirectly through its parent company and/or affiliates, Units pursuant to the Offering. The purchase of such Units will not be subject to the Agents’ fees. See “Participation of the Manager in the Offering.”

LEGAL MATTERS

Certain legal matters relating to the issue and sale of Units offered hereby will be passed upon by Stikeman Elliott LLP on behalf of the Trust and Ogilvy Renault LLP on behalf of the Agents. As at the date hereof, neither the partners nor associates of Stikeman Elliott LLP or Ogilvy Renault LLP, as a group, own any of the Units.

LEGAL PROCEEDINGS

Management of the Trust is not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Trust or relating to the business that would be material to a purchaser of Units.

MATERIAL CONTRACTS

The only material contracts entered into by the Trust to which it is or will become a party on or prior to the Closing Date of the Offering are as follows:

- (a) the Management Agreement referred to under “Summary of the Management Agreement”;
- (b) the Agency Agreement referred to under “Plan of Distribution”;
- (c) the Declaration of Trust referred to under “Description of Trust Units”;
- (d) the Warrant Indenture referred to under “Description of Warrants”; and
- (e) the Custodian Agreement referred to under “The Custodian”.

Copies of the foregoing documents may be examined by prospective purchasers during normal business hours at the offices of the Trust located at Dundee Place, 1 Adelaide Street East, 29th Floor, Toronto, Ontario during the period of distribution of the securities offered hereby.

THE PROMOTER

The Manager has taken the initiative in organizing the Trust and accordingly may be considered to be the promoter of the Trust within the meaning of the securities regulations of certain provinces of Canada.

The Manager will not receive any additional direct or indirect benefits as a result of its relationship to the Trust other than those described above under “Summary of the Management Agreement” and “Interest of Management and Others in Material Transactions”.

PARTICIPATION OF THE MANAGER IN THE OFFERING

The Manager intends to acquire, directly or indirectly through its parent company and/or affiliates, 500,000 Units for an aggregate purchase price of \$5,000,000. No Agents’ fee will be payable on any such purchases of Units by the Manager, its parent company and/or its affiliates.

AUDITORS

The auditors of the Trust are PricewaterhouseCoopers LLP at its principal office located at Suite 3000, Royal Trust Tower, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario, M5K 1G8.

REGISTRAR AND TRANSFER AGENT AND WARRANT AGENT

The registrar and transfer agent for the Trust Units will be Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

The warrant agent for the Warrants will be Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain provinces and territories 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 and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the prospectus of CMP Gold Trust (the "Trust") dated as of December 20, 2007 relating to the issue and sale of units of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the unitholder and the trustee of the Trust on the statement of net assets of the Trust as at December 20, 2007. Our report is dated as of December 20, 2007.

Toronto, Canada,
December 20, 2007

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants, Licensed Public Accountants

AUDITORS' REPORT

To the Trustee and the directors of the Manager of
CMP Gold Trust

We have audited the statement of net assets of CMP Gold Trust (the "Trust") as at December 20, 2007. This statement of net assets is the responsibility of the Trust'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 financial statement presents fairly, in all material respects, the financial position of the Trust as at December 20, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada,
December 20, 2007

(Signed) PRICEWATERHOUSECOOPERS LLP
Chartered Accountants, Licensed Public Accountants

CMP GOLD TRUST
STATEMENT OF NET ASSETS
As at December 20, 2007

Assets	
Cash	<u>\$10</u>
Unitholder's Equity	
Unitholder's equity (Note 1)	<u>\$10</u>

Approved by the Manager, Goodman & Company, Investment Counsel Ltd.

(Signed) TODD BEALLOR
Director

(Signed) JOHN PEREIRA
Director

See accompanying notes to the Statement of Net Assets.

CMP GOLD TRUST
NOTES TO STATEMENT OF NET ASSETS
As at December 20, 2007

1. NATURE OF OPERATIONS

CMP Gold Trust (the “Trust”) is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust (the “Declaration of Trust”) dated as of December 20, 2007. Goodman & Company, Investment Counsel Ltd. is the manager and trustee of the Trust. The Trust is offering its units (the “Units”) at a price of \$10.00 per Unit (the “Offering”). Each Unit consists of one trust unit of the Trust (“Trust Unit”) and one series A trust unit purchase warrant (a “Series A Warrant”). The Trust Units and Series A Warrants comprising the Units will immediately be separable upon issue. Each Series A Warrant will entitle the holder thereof, upon exercise of such Series A Warrant at an exercise price of \$12.00, to acquire one Trust Unit and one-half of one series B trust unit purchase warrant (each whole series B trust unit purchase warrant, a “Series B Warrant”). Each Series A Warrant will be exercisable in accordance with its terms on or after the closing date of the Offering (the “Closing Date”) to and including the date that is the third anniversary of the Closing Date (the “Series A Warrant Expiry Date”). Series A Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series A Warrant Expiry Date will be void and of no value. Each Series B Warrant will entitle the holder thereof, upon exercise of such Series B Warrant at an exercise price of \$15.00, to acquire one Trust Unit. Each Series B Warrant will be exercisable in accordance with its terms on or prior to the date that is the fifth anniversary of the Closing Date (the “Series B Warrant Expiry Date”). Series B Warrants that are not exercised by 5:00 p.m. (Toronto time) on the Series B Warrant Expiry Date will be void and of no value. Series A Warrants and Series B Warrants are collectively referred to as “Warrants”. No fractional Trust Units will be issued upon the exercise of any Warrant. No fractional Series B Warrant will be issued upon any exercise of Series A Warrants, and any entitlement to any fractional Series B Warrant will be terminated at the time of exercise of such Series A Warrants and no consideration will be payable in lieu thereof.

At the date of formation of the Trust, December 20, 2007, one Unit was issued for cash consideration of \$10.

The net asset value (the “Net Asset Value” or “NAV”) per Trust Unit will be calculated as of the close of business on each date that the Toronto Stock Exchange is open for business. The NAV on a particular date will be calculated by determining the market value of all of the assets of the Trust less all of its liabilities. The NAV per Unit is calculated by dividing the NAV of the Trust by the number of Trust Units issued and outstanding.

The Trust’s investment objective is to provide holders of Trust Units (“Unitholders”) with inflation protection, capital preservation and long-term capital appreciation through investment in a portfolio (the “Portfolio”) consisting of Precious Metals and the securities of Precious Metals Issuers, Minerals Issuers and Minerals Related Issuers (as such terms are defined in the prospectus).

2. SIGNIFICANT ACCOUNTING POLICIES

Issue Costs

Issue costs incurred in connection with the Offering will be accounted for as a reduction of the Trust’s equity.

3. MANAGEMENT FEES AND OTHER EXPENSES

Pursuant to the Declaration of Trust, Goodman & Company, Investment Counsel Ltd. is the manager and trustee of the Trust and, as such, is responsible for providing or arranging for required general and administrative services to the Trust including the management of its portfolio investments.

The Trust will pay a monthly management fee (the “Management Fee”) to the Manager in respect of each month in each fiscal year of the Trust that is equal to one-twelfth of 2.0% of NAV for such month, plus applicable taxes, provided that prior to January 1, 2013, the Manager will pay the Service Fee (as defined below). The Management Fee in respect of any particular month will be determined in accordance with the Declaration of Trust, based upon the NAV on the last day of such month and shall be payable at the beginning of the next succeeding month. The Management Fee may, at the option of the Manager, be paid in cash or in Trust Units, or a combination thereof. To the extent that Trust Units are issued from treasury in respect of the payment of such Management Fee for any particular month, the Trust Units will be valued at NAV, determined on the last day of such month.

The Trust will pay to the Manager a performance bonus (the “Management Incentive Fee”) in respect of each fiscal year of the Trust (a “Qualifying Year”) in which the Adjusted NAV per Trust Unit on the last day of such fiscal year is at least 108%, pro rated in the case of any partial fiscal year, of the NAV per Trust Unit on the last day of the immediately preceding fiscal year, before giving effect to all distributions and adjusted to exclude the dilutive effects of Warrants exercised since the Highest Prior Year. The Management Incentive Fee payable in respect of any Qualifying Year shall be equal to: (a) 20% of the amount by which the Adjusted NAV per Trust Unit on the last day of such Qualifying Year exceeds the Highest NAV per Trust Unit, multiplied by (b) the average daily number of Trust Units outstanding during such Qualifying Year. The Management Incentive Fee in respect of any particular Qualifying Year shall be estimated and accrued on each valuation date and shall be finally determined and paid within 30 Business Days after the end of such Qualifying Year.

CMP GOLD TRUST
NOTES TO STATEMENT OF NET ASSETS (Continued)
As at December 20, 2007

3. MANAGEMENT FEES AND OTHER EXPENSES (Continued)

For the purposes of the foregoing:

“Adjusted NAV per Trust Unit” means, for any particular Qualifying Year, the NAV per Trust Unit on the last day of such Qualifying Year, before giving effect to any distributions by the Trust since the Highest Prior Year, without giving effect to the accrual of any Management Incentive Fee and adjusted to exclude any dilutive effects of Warrants exercised since the Highest Prior Year.

“Initial NAV per Trust Unit” means the NAV per Trust Unit immediately following the Closing Date which, for greater certainty, is equal to the Unit Price less Agents’ fees and all costs and expenses associated with the Offering (all determined on a per Trust Unit basis).

“NAV per Trust Unit” means, as of any particular time of determination, the quotient obtained by dividing the NAV by the total number of Trust Units issued and outstanding at such time.

“Highest NAV per Trust Unit” means, with respect to any particular Qualifying Year, the NAV per Trust Unit on the last day of the fiscal year in which the High Water Mark was established, unless such High Water Mark was established in 2008, in which case the “Highest NAV per Trust Unit” shall mean the greater of: (a) the Initial NAV per Trust Unit; and (b) the NAV per Trust Unit on December 31, 2008.

“Highest Prior Year” means, for any particular Qualifying Year, the last fiscal year in which the Highest NAV per Trust Unit was established.

“High Water Mark” means the greater of: (a) the Initial NAV per Trust Unit; (b) the NAV per Trust Unit on December 31, 2008; (c) the NAV per Trust Unit on the last day of the most recent Qualifying Year in which a Management Incentive Fee was payable after giving effect to all distributions and accruals of the Management Incentive Fee in such Qualifying Year; and (d) the NAV per Trust Unit on the last day of any fiscal year subsequent to the last Qualifying Year in which a Management Incentive Fee was payable before giving effect to all distributions and adjusted to exclude any dilutive effects of Warrants exercised since the last Qualifying Year.

For each fiscal quarter of the Trust ending prior to January 1, 2013, the Manager will pay a service fee (the “Service Fee”), plus applicable taxes, to each full service registered dealer. The Service Fee will be equal to one-quarter of 0.4% of: (a) the NAV per Trust Unit calculated as of the last day of the applicable fiscal quarter, multiplied by (b) the aggregate number of Trust Units held by all clients of such full service registered dealer as of the last day of such fiscal quarter.

No service fee is payable by the Manager to dealers in respect of any fiscal quarter in any fiscal year ending after December 31, 2012.

In addition to the Agents’ fee of 6% of the gross proceeds of the Offering, the Trust will pay the expenses of the Offering. The Manager has agreed to pay expenses incurred in connection with the Offering, excluding: (a) TSX listing fees, and (b) any and all GST payable on expenses incurred in connection with the Offering, that exceed 1.5% of the gross proceeds of the Offering.

State Street Trust Company Canada (the “Custodian”) acts as custodian of the assets of the Trust and is also responsible for certain aspects of the Trust’s day-to-day operations. In consideration for the services provided by the Custodian, the Trust will pay a monthly fee to be agreed upon between the Custodian and the Manager.

In consideration for the services provided by the trustee of the Trust, the trustee is entitled to receive customary fees from the Trust and to be reimbursed by the Trust for all expenses which are reasonably incurred by the trustee in connection with the activities of the Trust.

Except for costs expressly to be borne by the Manager as set out in the Management Agreement dated as of December 20, 2007, the Trust is responsible for all expenses incurred in connection with the operation and administration of the Trust.

4. AGENCY AGREEMENT

Dundee Securities Corporation, CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Capital Corporation, GMP Securities L.P., HSBC Securities (Canada) Inc., Raymond James Ltd., Blackmont Capital Inc., Desjardins Securities Inc. and Wellington West Capital Inc. (collectively, the “Agents”) conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued and sold by the Trust, and delivered to and accepted by the Agents in accordance with the conditions contained in the Agency Agreement dated as of December 20, 2007.

CERTIFICATE OF THE TRUST AND THE PROMOTER

Dated: December 20, 2007

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of the *Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Part 6 of the *Securities Act* (New Brunswick), by Section 63 of the *Securities Act* (Nova Scotia), by Part II of the *Securities Act* (Prince Edward Island), by Part XIV of the *Securities Act* (Newfoundland and Labrador), by Part 3 of the *Securities Act* (Yukon Territory), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. This prospectus does not contain any misrepresentation that is likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(as Promoter and on behalf of the Trust)

(Signed) DAVID WHYTE
President and Director
(acting in the capacity as Chief Executive Officer)

(Signed) JOHN PEREIRA
Director, Executive Vice President
and Chief Financial Officer

On behalf of the Board of Directors of Goodman & Company, Investment Counsel Ltd.
(as Promoter and on behalf of the Trust)

(Signed) TODD BEALLOR
Director

(Signed) EDWARD BEZEAU
Director

CERTIFICATE OF THE AGENTS

Dated: December 20, 2007

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 Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of The *Securities Act, 1988* (Saskatchewan), by Part VII of the *Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Part 6 of the *Securities Act* (New Brunswick), by Section 64 of the *Securities Act* (Nova Scotia), by Part 1I of the *Securities Act* (Prince Edward Island) and by Part XIV of the *Securities Act* (Newfoundland and Labrador), by Part XIV of the *Securities Act* (Newfoundland and Labrador), by Part 3 of the *Securities Act* (Yukon Territory), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. To our knowledge, this prospectus does not contain any misrepresentation that is likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

DUNDEE SECURITIES CORPORATION CIBC WORLD MARKETS INC. RBC DOMINION SECURITIES INC.

(Signed) BRETT WHALEN (Signed) RONALD W.A. MITCHELL (Signed) EDWARD V. JACKSON

BMO NESBITT BURNS INC. NATIONAL BANK FINANCIAL INC. TD SECURITIES INC.

(Signed) FAROOQ MOOSA (Signed) MICHAEL D. SHUH (Signed) CAMERON GOODNOUGH

CANACCORD CAPITAL CORPORATION

GMP SECURITIES L.P.

(Signed) BINA PATEL

(Signed) MARK WELLINGS

HSBC SECURITIES (CANADA) INC.

RAYMOND JAMES LTD.

(Signed) BRENT LARKAN

(Signed) J. GRAHAM FELL

BLACKMONT CAPITAL INC.

DESJARDINS SECURITIES INC.

WELLINGTON WEST CAPITAL INC.

(Signed) CHARLES A.V. PENNOCK

(Signed) BETH SHAW

(Signed) KEVIN HOOKE

