



FINANCIAL STATEMENTS OF NORREP SHORT DURATION 2017 FLOW- THROUGH LIMITED PARTNERSHIP

Period from April 28, 2017 to December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Limited Partners of Norrep Short Duration 2017 Flow-Through Limited Partnership:

We have audited the accompanying financial statements of Norrep Short Duration 2017 Flow-Through Limited Partnership, which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive loss, changes in net assets attributable to limited partners and cash flows for the period from the date of formation on April 28, 2017 to December 31, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Norrep Short Duration 2017 Flow-Through Limited Partnership as at December 31, 2017, and its financial performance and its cash flows for the period from the date of formation on April 28, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The letters are stylized and cursive.

Chartered Professional Accountants
March 12, 2018
Calgary, Canada

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Financial Position

(in Canadian dollars, except units outstanding)

December 31,
2017

Assets

Cash	22,960
Investments, at fair value through profit or loss	8,349,747
Total assets	8,372,707

Liabilities

Accrued expenses (note 8)	23,500
Loan payable (note 5)	785,495
Total liabilities	808,995
Net assets attributable to limited partners	7,563,712

Limited partnership units outstanding (note 7) 898,136

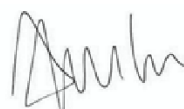
Net assets attributable to limited partners per unit 8.42

See accompanying notes to financial statements.

On behalf of the Board of Directors of Norrep 2017 Management Inc.
as General Partner of the Partnership:



Director
Keith Leslie



Director
Alex Sasso

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Comprehensive Loss

(in Canadian dollars)

	Period from April 28, 2017 to December 31, 2017
Dividend income	24,115
Interest income	21,182
Net change in unrealized depreciation in fair value of investments	(631,613)
Total investment loss	(586,316)
Management fees (notes 1 and 8)	99,998
Audit and tax fees	8,700
HST/GST	5,751
Administrative fees (note 8)	3,396
Other operating expenses	2,044
Legal and filing fees	970
Transaction costs	453
Independent review committee	360
Custodian and record-keeping fees	267
Total operating expenses	121,939
Change in net assets attributable to limited partners before finance costs	(708,255)
Interest expense (note 5)	8,338
Change in net assets attributable to limited partners	(716,593)
Change in net assets attributable to limited partners per unit (note 7)	(0.82)

See accompanying notes to financial statements.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Changes in Net Assets Attributable to Limited Partners

(in Canadian dollars)

	Period from April 28, 2017 to December 31, 2017
Net assets attributable to limited partners, beginning of period	–
Transactions attributable to limited partners:	
Proceeds from issuance of Partnership units (note 7)	8,981,360
Cost of issuance of Partnership units (note 7)	(701,055)
	<u>8,280,305</u>
Decrease in net assets attributable to limited partners	(716,593)
Net assets attributable to limited partners, end of period	<u>7,563,712</u>

See accompanying notes to financial statements.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Statement of Cash Flows

(in Canadian dollars)

	Period from April 28, 2017 to December 31, 2017
Cash flows from (used in) operating activities	
Decrease in net assets attributable to limited partners	(716,593)
Adjustments for:	
Net change in unrealized depreciation of investments at fair value through profit or loss	631,613
Purchases of investments	(8,981,360)
Accrued expenses	23,500
Net cash used in operating activities	(9,042,840)
Cash flows from (used in) financing activities	
Proceeds from issuances of Partnership units	8,981,360
Cost of issuance of Partnership units	(701,055)
Proceeds from loan	785,495
Net cash from financing activities	9,065,800
Net increase in cash	22,960
Cash at beginning of period	–
Cash at end of period	22,960
Dividends received	24,115
Interest received	21,182
Interest paid	8,338

See accompanying notes to financial statements.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Schedule of Investment Portfolio

As at December 31, 2017

(in Canadian dollars)

Description	Number of common shares	Cost(\$)	Fair value (\$)
Canadian Equities (100%)			
InPlay Oil Corp.	1,000,000	1,800,000	1,940,000
Journey Energy Inc.	1,000,000	2,200,000	1,770,000
Kelt Exploration Ltd.	260,000	2,015,000	1,869,400
Point Loma Resources Ltd.	1,109,579	366,161	282,943
Surge Energy Inc.	1,015,313	2,199,999	2,122,004
Traverse Energy Ltd.	870,000	400,200	365,400
		8,981,360	8,349,747

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

1. Reporting Entity:

Norrep Short Duration 2017 Flow-Through Limited Partnership (the “Partnership”) was formed on April 28, 2017 as a limited partnership under the laws of the Province of Alberta, with nominal equity, to invest in flow-through shares of resource companies. The Partnership’s principal place of business is Dome Tower, Suite 1850, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1. The Partnership commenced operations on May 9, 2017.

Using the limited partners’ contributions, the Partnership invests in flow-through shares of resource companies with the objective of achieving capital appreciation in accordance with the investment strategies. These resource companies incur Canadian Exploration Expenses, Canadian Development Expenses and/or Qualifying Canadian Development Expenses in carrying out mining and oil and natural gas exploration and development activities and renewable energy development activities. The resource companies renounced these expenses effective December 31, 2017 to the Partnership in amounts substantially equal to the subscription amount of the flow-through shares. In turn, the Partnership allocated the renouncements to the limited partners. It is intended that the Partnership will be dissolved by December 31, 2018.

These financial statements reflect only the assets, liabilities, revenues and expenses of the Partnership and, therefore, do not include any assets, liabilities, revenues or expenses of the Limited Partners.

Being a limited partnership, the Partnership is dependent on Norrep 2017 Management Inc., the General Partner, for the administration and management of all matters relating to the operation of the Partnership pursuant to the terms of the Partnership Agreement. The General Partner has engaged Norrep Capital Management Ltd. (“the Investment Manager”) to provide, on behalf of the General Partner, all services related to the operation of the Partnership. The Investment Manager is entitled to an annual management fee of 2.00% of the net asset value of the Partnership, calculated and paid monthly. In addition, the Investment Manager is entitled to a Performance Bonus Fee. The Performance Bonus Fee is equal to 20% of the amount by which (i) the sum of (A) the Net Asset Value per Unit on the Performance Bonus Date and (B) all distributions per Unit during the Performance Bonus Period exceeds (ii) the sum of \$10.00 plus appreciation thereon at the rate of 8% per annum, compounded annually, during the Performance Bonus Period. As at December 31, 2017, no Performance Bonus Fee is payable.

The General Partner is also entitled to a 0.01% share of the net assets of the Partnership upon dissolution of the Partnership, which at December 31, 2017 would be \$756.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements of the Partnership were approved and were authorized for issue by the General Partner’s Board of Directors on behalf of the Partnership on March 12, 2018.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for investments at fair value through profit or loss which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Partnership’s functional currency, and all values are rounded to the nearest dollar except where otherwise indicated.

(d) Use of judgements and estimates:

These financial statements include estimates and assumptions made by management that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and gains and losses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. As at December 31, 2017 the Partnership did not have any significant estimates.

3. Significant accounting policies:

(a) Financial assets and financial liabilities:

(i) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognized on the trade date, which is the date on which the Partnership becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they originated.

NORREP SHORT DURATION 2017

FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

3. Significant accounting policies (continued):

(a) Financial assets and financial liabilities (continued):

(i) Recognition and initial measurement (continued)

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, with transaction costs recognized in profit or loss.

(ii) Classification

The Partnership classifies financial assets and financial liabilities into the following categories.

Financial assets at fair value through profit or loss:

- Designated at fair value through profit and loss: all investments

Financial assets at amortized cost:

- Loans and receivables: cash and receivables

Financial liabilities at amortised cost:

- Other liabilities: all liabilities, other than investments – short, at fair value through profit and loss

A financial instrument is classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking; or
- it is a derivative, other than a designated and effective hedging instrument.

The Partnership designates all debt and equity investments at fair value through profit or loss on initial recognition because it manages these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities is on a fair value basis.

(iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Partnership has access at that date. The fair value of a liability reflects its non-performance risk.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

3. Significant accounting policies (continued):

(a) Financial assets and financial liabilities (continued):

(iii) Fair value measurement (continued)

When available, the Partnership measures fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Partnership measures instruments quoted in an active market at last traded price.

For securities where market quotes are not available, the Partnership values the initial investment at the amount paid. After initial investment, the Partnership uses estimation techniques to determine fair value including observable market data, discounted cash flows and internal models that compare the investments to its peer group.

Fair value of investments in share purchase warrants is determined using a recognized economic model taking into account various factors including risk free rate of interest, dividend rates, volatility, market value and trading volume of the underlying stock.

There is no difference between pricing NAV and accounting NAV.

(iv) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at recognition, minus principal repayments (if applicable), plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount (if applicable), minus any reduction for impairment (if applicable).

(v) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Partnership in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

Partnership units

The Partnership units are classified as financial liabilities as they have a limited life and are measured at the redemption amount, which represents the residual interest in the Partnership.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

3. Significant accounting policies (continued):

(a) Financial assets and financial liabilities (continued):

(v) Specific instruments (continued)

Partnership units (continued)

The net asset value per limited partnership unit is calculated as net assets attributable to limited partners, less the General Partner's share, divided by the number of Limited Partnership units outstanding.

(b) Dividend income and dividend expense:

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. This is usually the ex-dividend date.

The Partnership incurs expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognized in profit or loss as operating expense when the shareholders' right to receive payment is established.

(c) Recognition of expenses:

The Partnership follows the accrual method of recording expenses and they are recognized in profit or loss as the related services are performed.

(d) Distributions to limited partners:

Distributions payable to limited partners are recognized in profit or loss as finance costs. Any distribution made will be in proportion to the number of units held by each unitholder.

(e) Net gain (loss) from financial instruments at fair value through profit or loss:

Net realized and unrealized gain (loss) from financial instruments at fair value through profit or loss is calculated using the average cost method.

(f) Income tax:

A provision for income taxes has not been recorded in the financial statements as all income and losses of the Partnership are allocated to the partners. The tax base is less than the reported amounts of the Partnership's assets and liabilities by approximately \$8,349,747.

(g) Increase (decrease) in net assets attributable to limited partners per unit:

Increase (decrease) in net assets attributable to limited partners per unit is calculated as increase (decrease) in net assets attributable to limited partners, divided by the weighted average units outstanding during the period.

NORREP SHORT DURATION 2017

FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

3. Significant accounting policies (continued):

(h) Derivative financial instruments:

The Partnership may use derivative financial instruments to reduce their exposure to fluctuations in foreign currency exchange rates. Derivative financial instruments are recorded at mark to market with changes in fair value recorded in the statement of comprehensive income. There were no derivatives entered into during the period.

(i) Short selling:

The Partnership may employ exit strategies, which may include short sales when an appropriate selling opportunity arises in order to "lock-in" the resale price of flow-through shares or other securities of resource companies held in the Partnership's investment portfolio. Securities that are sold short are valued at the last traded price reported by the principal securities exchange on which the issue is traded on the financial statement date. To enter into a short sale, the Partnership may need to borrow the security for delivery to the buyer. If the Partnership subsequently sells the borrowed securities, then the arrangement is accounted for as a short sold position, recognized in the statement of financial position as a financial liability at fair value through profit or loss.

4. Fair value measurement:

(a) Investments:

The fair values of financial assets and financial liabilities that are traded on active markets are based on quoted market prices. For all other financial instruments, the Partnership determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

A three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- Inputs that are quoted prices (unadjusted) in active markets for identical instruments (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for instruments, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

4. Fair value measurement (continued):

(a) Investments (continued):

- Inputs for the instruments that are not based on observable market data (unobservable inputs) (Level 3). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Partnership recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred. At December 31, 2017 all of the Partnership's investments are classified as Level 1 as they consist of publicly traded equity securities.

(b) Financial instruments not measured at fair value:

The carrying values of cash, dividends and interest receivable and accrued expenses approximate their fair values due to their short term nature.

5. Loan payable:

The Partnership has entered into a revolving loan facility which is available for payments of the Agent's commissions, expenses of the offering and operating costs only. The credit facility available to the Partnership was \$898,136. Interest at bank prime plus 1.5% per annum is payable monthly in arrears with principal repayments of 1/5th of the authorized amount commencing Feb 28, 2017. The maximum loan outstanding shall not exceed 10% of the gross proceeds. The loan must be repaid prior to June 31, 2018 or the termination of the Partnership, whichever is earlier. At December 31, 2017 the loan payable was \$785,495.

6. Financial instruments and associated risks:

The Partnership's activities expose it to a variety of risks associated with financial instruments as follows: credit risk, liquidity risk and market risk (including currency risk, interest rate risk, and price risk). The Partnership's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Partnership's financial performance. All investments result in a risk of loss of capital.

Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership.

NORREP SHORT DURATION 2017

FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

6. Financial instruments and associated risks (continued):

Credit risk (continued):

The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date.

Substantially all of the assets of the Partnership are held by the custodian, CIBC Mellon Trust Company. Bankruptcy or insolvency of the custodian may cause the Partnership's rights with respect to securities held by the custodian to be delayed or limited. The Partnership manages this risk by monitoring the credit quality and financial position of the custodian. If the credit quality or the financial position deteriorates unacceptably, the Investment Manager will act to move the Partnership's cash holdings to another financial institution.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Partnership may be held in cash. Such cash balances will be held on deposit in cash accounts at a Canadian bank or trust company or may be invested in short-term investment funds or guaranteed investment certificates. The Partnership's investment portfolio comprises quoted equity investments that it intends to hold for an indefinite period of time up to the dissolution of the Partnership.

The Partnership's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokerages used. For the majority of the transactions, the Partnership mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Liquidity risk:

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

Investments in small-capitalization resource companies by the Partnership may involve greater risks than investments in large-capitalization companies as small-capitalization companies may have limited trading volume in the financial markets, leading to a higher sensitivity to market changes.

To the extent that the liquidity is limited, the Partnership's ability to realize profits and/or minimize losses may be limited, which could adversely affect the net asset value of the Partnership. Furthermore, the Partnership's investments may include unlisted equity instruments, which are not traded on an organized public market and which may be illiquid. Therefore, the Partnership may not be able to quickly liquidate some or all of its investment in these instruments at an

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

6. Financial instruments and associated risks (continued):

Liquidity risk (continued):

amount close to their fair value in order to meet liquidity requirements. The Partnership believes it maintains sufficient cash and cash equivalent positions to maintain liquidity.

The Partnership's liquidity risk is managed by the Investment Manager in accordance with the policies. Minimum cash balances may be created and modified at the discretion of the Investment Manager to ensure cash availability for expected liquidity needs. As there is currently no market through which the units of the Partnership may be sold, the Investment Manager's liquidity constraints do not include expected redemptions.

The flow-through shares held in the Partnership are issued from treasury and sometimes come with a four month hold period. The hold period prevents the Partnership from disposing of shares prior to the expiration of the hold period. As of December 31, 2017, five of the positions in the Partnership are subject to hold periods. The Partnership units cannot be redeemed until the termination of the partnership; therefore, no discount is applied as the hold is lifted prior to termination of the partnership.

Market risk:

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

Details of the nature of the Partnership's investment portfolio at December 31, 2017 are disclosed in the Schedule of Investment Portfolio.

(a) Currency risk:

The Partnership's investment portfolio is Canadian-dollar denominated, but as market opportunities dictate, the Partnership may invest in financial instruments and enter into transactions denominated in U.S. dollars. Consequently, the Partnership may be exposed to the risk that the exchange rate of the Canadian dollar to the U.S. dollar may fluctuate.

At December 31, 2017 the Partnership held no U.S. securities and therefore had no foreign currency exposure.

(b) Interest rate risk:

The Partnership is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. It holds a limited amount of cash subject to variable interest rates which exposes the Partnership to cash flow interest rate risk. The loan payable exposes the Partnership to interest rate risk; as at December 31, 2017 the loan balance was \$785,495. An increase or decrease of 1% in the prime rate would have increased or decreased the interest expense by \$7,855.

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

6. Financial instruments and associated risks (continued):

Market risk (continued):

(c) Other price risk:

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market. All securities present a risk of loss of capital.

Price risk is managed by the Investment Manager by selecting investments assessed to be of high quality within the Partnership's narrow focus on acquiring flow-through shares of resource companies. The price of a stock held by the Partnership is affected by individual company developments and also by general economic and financial conditions in the industries and countries where the issuer of the stock is located, does business or where the stock is listed for trading. The business activities of resource companies are speculative and may be adversely affected by factors outside their control. In addition, certain equity securities owned by the Partnership may be of issuers whose securities are not listed on any prescribed stock exchange and thus a liquid market for resale may not exist. The Investment Manager will monitor these factors as required and make decisions regarding the portfolio based on its knowledge of the market conditions. The maximum price risk resulting from an equity investment is equivalent to its fair value.

Sensitivity analysis

On December 31, 2017, 100% of the Partnership's equity investments are listed on the Toronto Stock Exchange ("TSX") or TSX Venture Exchange ("TSX Venture"). A 5% increase or decrease in the value of all common shares listed on the TSX and TSX Venture at December 31, 2017 would have impacted the net assets attributable to limited partners and the changes in net assets attributable to limited partners by \$417,487.

The Partnership's financial assets exposed were concentrated in the following industry:

	% of Investments
	December 31, 2017
Energy	100%

NORREP SHORT DURATION 2017 FLOW-THROUGH LIMITED PARTNERSHIP

Notes to Financial Statements

Period from April 28, 2017 to December 31, 2017

7. Partnership units:

The authorized capital of the Partnership consists of an unlimited number of limited partnership units. All limited partnership units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Partnership and the right to one vote at any meeting of the limited partners.

	Number of units	Amount
Balance, April 28, 2017	–	–
Issue of partnership units, for cash	898,136	8,981,360
Issue costs		(701,055)
Balance, December 31, 2017	898,136	8,280,305

Decrease in net assets attributable to limited partners per unit is calculated as follows:

	2017
Decrease in net assets attributable to limited partners	(716,593)
Average partnership units outstanding during the period	878,470
Decrease in net assets attributable to limited partners per unit	(0.82)

8. Related party transactions:

As described in Note 1, the Partnership pays management fees to the Investment Manager, for portfolio management services received during the period. As at December 31, 2017, management fees were accrued in the amount of \$12,218 and are included in accrued expenses.

The General Partner engaged Norrep Capital Management Ltd. to provide administrative services to the Partnership. As at December 31, 2017, administrative fees were accrued in the amount of \$394 and are included in accrued expenses.

All transactions with related companies are measured at exchange amounts as they occur within the normal course of business.

9. Brokerage commissions on securities transactions:

The Partnership paid brokerage commissions amounting to \$nil in connection with portfolio transactions during the period.



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