



Offering Memorandum

Veripath Farmland LP

Series A1 Units
Series A2 Units
Series A3 Units
Series A4 Units
Series W3 Units

May 24, 2023

Offering Memorandum

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 9 - Risk Factors.

Date: May 24, 2023
 The Issuer: Veripath Farmland LP
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 Website: veripathfarmland.com
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Currently listed or quoted? **No. These securities do not trade on any exchange or market.**
 Reporting issuer? No.

The Offering

Securities Offered:	<p>The securities being offered pursuant to this offering (the "Offering") are units of Veripath Farmland LP (the "Partnership"), which are comprised of Series A1 Units, Series A2 Units*, Series A3 Units, Series A4 Units and Series W3 Units.</p> <p>(collectively, the "Offered Units", and each an "Offered Unit").</p> <p>See Item 5.1 - <i>Terms of Securities</i> for the terms of the Offered Units.</p> <p>*The Series A2 Units will not be available for subscription until July 1, 2023</p>
Price per Security:	<p>The price per Offered Unit as at the date hereof is \$1.2872 per Series A1 Unit, Series A2 Unit, Series A3 Unit and Series A4 Unit, and \$1.3573 per Series W3 Trust Unit. The price per Offered Unit will be determined by Veripath Farmland GP Ltd. (the "General Partner"), the general partner of the Partnership, from time to time, in its absolute discretion, and will be set forth in the subscription agreement(s) entered into between the subscriber (the "Subscriber") and the Partnership. The price per Offered Unit will be determined with reference to the Net Asset Value of the applicable series of units, as determined by Veripath Farmland Partners LP (the "Manager"), the manager of the Partnership.</p>
Minimum/Maximum Offering:	<p>There is no minimum or maximum offering. You may be the only purchaser.</p> <p>See Item 4 - Capital Structure.</p>
Minimum Subscription Amount:	<p>The minimum investment in the Partnership for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$1,000. The minimum investment in the Partnership for Series W3 Units is \$1,000,000. These minimum amounts may be waived by the General Partner, in its sole discretion.</p> <p>See Item 5.2 - <i>Subscription Procedure</i>.</p>
Payment Terms:	<p>Payment in full by certified cheque, bank draft or wire transfer of the aggregate subscription amount payable to the Partnership with the delivery of a duly executed and completed subscription agreement.</p> <p>See Item 5.2 - <i>Subscription Procedure</i>.</p>
Proposed Closing Date(s):	<p>Closings will occur from time to time at the discretion of the General Partner.</p>
Income Tax Consequences:	<p>There are important tax consequences to these securities.</p> <p>See Item 7 - <i>Certain Income Tax Consequences</i>.</p>
Insufficient Funds:	<p>Funds available under the Offering may not be sufficient to accomplish the proposed objectives.</p> <p>See Item 2.6 - Insufficient Funds and Item 9 - Risk Factors.</p>
Selling Agents and Compensation Paid to Sellers and Finders:	<p>A person has received or will receive compensation for the sale of securities under this Offering.</p> <p>Specifically, the Partnership will retain several non-exclusive securities dealers to effect sales of Offered Units. Where allowed by applicable securities legislation, dealers who distribute Offered Units may be paid fees. Any fees (including any sales commissions and administration fees) on the Offered Units are paid by the Subscriber to the dealer and are in addition to, and do not form part of, the purchase price of the Offered Units. Sales commissions and other fees may be negotiated between the dealer and the Subscriber.</p>

	<p>No agent appointed by the Partnership to offer Offered Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of the fees payable to it as agent for the Offering as described herein, provided that the Manager may pay additional fees to agents that introduce purchasers to the Partnership.</p> <p>See Item 8 - <i>Selling Agents And Compensation Paid to Sellers And Finders</i>.</p>
Resale Restrictions:	<p>The Offered Units are subject to restrictions on resale. There is no market for the Offered Units and none is expected to develop and, therefore, it may be difficult or impossible for the Subscriber to sell the Offered Units. You will be restricted from selling your Offered Units for an indefinite period. See Item 11 - <i>Resale Restrictions</i>.</p>
Working Capital Deficiency:	<p>The Partnership has a working capital deficiency. See Item 1.1 - <i>Funds</i>.</p>
Certain Related Party Transactions:	<p>This offering memorandum contains disclosure with respect to one or more transactions between the Partnership and a related party, where the Partnership paid more to a related party than the related party paid for certain assets and real property. See Item 2.8 - <i>Related Party Transactions</i>.</p>
Conditions on Redemptions and Retractions:	<p>You will have a right to redeem the Offered Units, but this right is qualified by the Redemption Price, restrictions and fees set forth herein. As a result, you might not receive the amount of proceeds that you want.</p> <p>An investment in the Offered Units is only suitable for Subscribers who are able to make a long-term investment and do not need full liquidity with respect to this investment. Redemption rights under the LP Agreement are restricted and provide limited opportunity for purchasers to liquidate their investment in the Offered Units.</p> <p>The Redemption Price payable to Subscribers redeeming Offered Units may be lower than the price per Offered Unit paid by the Subscribers for such Offered Unit. Further, a Limited Partner will receive a lower Redemption Price (as defined herein) if such Limited Partner redeems his or her Offered Units within a certain period of time from the date of investment (depending on the Series of Offered Unit held by the Limited Partner). This is intended to protect the Partnership and existing Limited Partners from a reduction in the value of the Partnership due to payment of offering costs.</p> <p>Once a Limited Partner's quarterly cash redemption threshold in respect of a Limited Partner's Units that are being redeemed within their Early Redemption Period (as defined herein) is reached or in other specified circumstances where cash redemption is not available, such redeeming Limited Partners may receive from the Partnership (in lieu of cash), Redemption Notes (as defined herein). Redemption Notes will be unsecured, subordinated and limited recourse debt securities of the Partnership. Redemption Notes will have a maturity that is on or prior to the date that is 90 days after the expiry of the Early Redemption Period in respect of such Offered Units.</p> <p>The General Partner may, from time to time, in its absolute discretion and for any reason so long as it is acting reasonably, (a) suspend the redemption of Units, (b) postpone the date of payment of redeemed Units and/or (c) pay all or part of the Redemption Price of Units which are redeemed through the issuance of Redemption Notes with such notes having an aggregate fair market value equal to the portion of the Redemption Price being satisfied by such Redemption Notes, provided that any postponement of payment or payment through the issuance of Redemption Notes shall be applied on a <i>pro rata</i> basis to all Units submitted for redemption with respect to any Valuation Date, subject to any applicable regulatory approvals. In the event of a suspension of redemption, the General Partner will give notice to Limited Partners of such suspension. During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request for redemption will be acted upon on the first applicable Valuation Date following the recommencement of redemptions. Where possible, all reasonable efforts will be made to bring any period of suspension to an end as soon as possible.</p> <p>The Partnership may at any time and for any reason upon not less than five days' prior written notice to a Limited Partner redeem any or all of such Limited Partner's Units. Such redemption by the Partnership shall be treated as if such Limited Partner redeemed such Units pursuant to the LP Agreement. The Redemption Price payable to a Unitholder for any Unit redeemed by the Partnership will be an amount equal to the Net Asset Value per Unit on the Redemption Date, provided that in certain circumstances, the discount percentage to the Redemption Price applicable if Units are redeemed within a certain period of time from the date of investment shall continue to apply.</p>

	<p>Notwithstanding the foregoing, if a Limited Partner becomes a Defaulting Limited Partner, the General Partner, on behalf of the Partnership, shall have the right, without further notice, demand, formality or act whatsoever, to immediately proceed to redeem the Defaulted Units at a price per Unit equal to 75% of the aggregate Net Asset Value per Unit of the Defaulted Units held by the Defaulting Limited Partner.</p> <p>See Item 5.1.3 - <i>Redemption and Retraction of Units</i> and Item 9.1 - <i>Risks Associated with the Offered Units - Limited Redemption Rights of Offered Units</i>.</p>
Purchasers' Rights:	<p>If you are purchasing the Offered Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 - <i>Prospectus Exemptions</i>, you have two (2) Business Days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have a right to damages or to cancel the agreement. See Item 12 - <i>Purchasers' Rights</i>.</p>

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CAUTIONARY STATEMENTS

About this Offering Memorandum

This Offering is being made pursuant to certain prospectus exemptions contained in NI 45-106. This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. Under no circumstances will the General Partner accept a subscription for Offered Units if its distribution cannot be made in reliance on any such exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106.

Prospective purchasers should only rely on the information contained in this Offering Memorandum or any related "OM marketing materials" (as such term is defined in NI 45-106) and should not rely on some parts of this Offering Memorandum or OM marketing materials to the exclusion of others. No person has been authorized to give any information or make any representation in respect of the Partnership or the securities offered herein. Any such information or representation which is given or received must not be relied upon.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. These securities have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any applicable state securities laws. Accordingly, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and state securities laws, these securities may not be offered or sold within the United States or to, or for the account of benefit of, "**U.S. persons**" (as such term is defined in Regulation S under the U.S. Securities Act).

Unless the context otherwise requires, terms such as "we", "us" and "our" are meant to refer collectively to the Partnership and the General Partner and "you" is meant to refer to the Subscribers who purchase Offered Units under the Offering, thereupon becoming Unitholders.

Forward-Looking Information

This Offering Memorandum includes forward-looking information and forward-looking statements (collectively, "**forward-looking information**") with respect to the Partnership. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases including, but not limited to, "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking information". This information represents predictions and actual events or results may differ materially.

Forward-looking information contained in this Offering Memorandum includes, but is not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Partnership; the Partnership's intentions or expectations concerning its ability to raise capital under the Offering or otherwise; long term and short term objectives of the Partnership; the Partnership's investment objectives and strategies; the identification, successful negotiation and acquisition of farmland or any interest in farmland by the Partnership; the Manager's belief that the Partnership's investment strategy can achieve returns for Subscribers; statements with respect to how the Manager expects to structure rental arrangements between the Partnership and its tenants; statements with respect to how the Partnership intends to generate returns to investors; the Manager's expectations with respect to the benefits of investing in farmland and its intention to acquire a diversified portfolio of Canadian farmland in the provinces of Saskatchewan and Manitoba that meets the Partnership's investment objectives; statements with respect to the macroeconomic trends and the growing demand for agricultural commodities; expectations with respect to the stability of the agricultural industry in Canada and the competitive advantages of Canadian farmland; the Manager's expectations on the continued impact of COVID-19 and related government relief and support on the Partnership, its tenants and the agriculture and food industries; expectations with respect to the General Partner providing additional information relating specifically to the impact of COVID-19 on the Partnership in OM marketing materials and/or other supplementary documents; expectations regarding the possibility of distributions from the Partnership; the expectation, timing and payment of the Redemption Price for Units redeemed by Limited Partners; the expectation, timing and payment by Subscribers to certain selling agents of certain fees (including any sales commissions and administration fees); the Partnership's intentions and expectations regarding payment of offering costs, the Management Fee, Performance Distributions and ongoing general and administrative expenses; the Manager's expectations regarding estimated transaction costs associated with the acquisition of the farmland by the Partnership and the leasing of such farmland by the Partnership; treatment under government regulatory regimes and tax laws; anticipated compensation to be paid by the Partnership in the current financial year; the adequacy of the Partnership's credit facilities; the dissolution of the Partnership and the results of investments, the timing thereof and the methods of funding.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the Manager and the General Partner believes that the expectations reflected in the forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Partnership cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. In addition to other factors and assumptions which may be identified in this Offering Memorandum, assumptions have been made regarding, among other things: use of proceeds of the Offering; the retention of securities dealers in connection with the Offering and payment of fees to those securities dealers; the general stability of the

economic and political environment in which the Partnership operates; the general stability in the agricultural industry in Canada; treatment under governmental regulatory regimes, securities laws and tax laws; the ability of the General Partner, the Manager and tenants of farmland owned by the Partnership to obtain and/or keep qualified and essential staff, equipment and services in a timely and cost efficient manner; valuation of the Partnership's investments; currency, exchange and interest rates; the price of farmland; the demand for agricultural commodities and growth in agricultural productivity; investment demand for tangible assets such as agricultural commodities and farmland; and any impacts associated with COVID-19 will not be long-term. In light of these risks, uncertainties and assumptions, you should be aware that events described in the forward-looking information set out in this Offering Memorandum may not occur.

Forward-looking information is based on the current expectations, estimates and projections of the Partnership and involve a number of known and unknown risks and uncertainties which would cause actual results or events to differ materially from those presently anticipated, including those risks described under Item 9 - *Risk Factors*, many of which are beyond the control of the Partnership, the General Partner and the Manager. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward-looking information include, but are not limited to, general economic, political, market and business factors and conditions (including Russia's invasion of Ukraine); climate change; interest rate fluctuations; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other factors set out under Item 9 - *Risk Factors*. Readers are cautioned that Item 9 - *Risk Factors* is not exhaustive.

The Partnership has included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide prospective purchasers with a more complete perspective on the Partnership's current and future operations and such information may not be appropriate for other purposes. The Partnership's actual results, performance or achievement could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Partnership will derive therefrom. This forward-looking information is given as of the date of this Offering Memorandum and the Partnership, the Manager and the General Partner, for itself and on behalf of the Partnership, disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Marketing Materials

Any OM marketing materials related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective purchaser before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum are not part of the Offering Memorandum to the extent that the contents of such OM marketing materials have been modified or superseded by a statement contained in an amended or amended and restated offering memorandum or OM marketing materials subsequently delivered or made reasonably available to a prospective purchaser prior to the execution of the subscription agreement by the purchaser. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Market and Industry Data

This Offering Memorandum and OM marketing materials incorporated by reference may contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Manager and the General Partner believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. None of the Partnership, the Manager or the General Partner has independently verified any of the data from independent third party sources referred to in this Offering Memorandum or ascertained the underlying assumptions relied upon by such sources.

This document may provide addresses of, or contain hyperlinks to, third party websites. The Partnership has not reviewed and takes no responsibility whatsoever for the contents thereof. Each such address or hyperlink is provided solely for the reader's convenience and the information and the contents thereof are in no way incorporated into this document. Readers who choose to access such third party websites or follow such hyperlinks do so entirely at their own risk.

GLOSSARY OF TERMS

"**ABCA**" means the *Business Corporations Act* (Alberta) as amended and in force from time to time.

"**Additional Financing**" means any financing required by the Partnership beyond the capital contributions received from the issuance of Units. See Item 2.7.1 - *LP Agreement - Terms of Additional Financing*.

"**Adjusted Highwater Mark**" means, with respect to a Series, the sum of (A) and (B) where:

- (A) equals, initially, the issuance price of the first Units of such Series to be issued (net of commissions and other fees paid to selling agents, expressed on a per Unit basis) and, once a Performance Distribution has been made or calculated with respect to such Series, the highest Net Asset Value per Unit achieved by such Series at the end of any calendar year (for greater certainty, after deduction of any accrued but unpaid Performance Distributions), in each case adjusted as necessary to reflect any distributions made by the Partnership; and
- (B) equals the Hurdle.

"**Affected Series**" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Approvals of Unitholders*.

"**affiliate**" has the meaning ascribed thereto in the Securities Act.

"**Applicable Date**" means, (i) the last day of each calendar year; (ii) the date the General Partner is removed pursuant to the LP Agreement; and (iii) the date the Partnership dissolves and/or terminates.

"**applicable law**" means (i) any applicable domestic or foreign law, including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgement, injunction, award, instrument or decree of a Governing Authority having the force of law.

"**Applicable Performance Distribution Percentage**" means (i) 20% for the Series A1 Units; (ii) 19% for the Series A2 Units; (iii) 18% for the Series A3 Units; (iv) 17% for the Series A4 Units; and (v) 12% for the Series W3 Units.

"**associate**" has the meaning ascribed thereto in the Securities Act.

"**Business Day**" means any day other than a Saturday, Sunday or a statutory or civic holiday in Calgary, Alberta.

"**Canadian-Owned Entity**" has the meaning ascribed thereto in section 76(a.2) of the SFSA which, at the date of this Offering Memorandum, means (i) a corporation or any other entity which all the shares or interests are legally and beneficially owned, and all the memberships are held, by Resident Persons or other Canadian-Owned Entities; or (ii) any other corporation or entity or class of corporations or entities prescribed in the regulations to the SFSA; but does not include (A) any person or class of persons prescribed in the regulations to the SFSA; (B) a person or entity or class of persons or entities that have shares listed on an exchange; (C) an entity that is a pension plan; (D) the administrator of a pension plan while that person or entity is acting in that person's or entity's capacity as administrator; or (E) a trust other than a trust that, in the trust instrument creating the trust, lists 10 or fewer individuals, all of whom are Resident Persons, as beneficiaries of the trust.

For the purposes of this definition, "entity" has the meaning ascribed thereto in the SFSA which, at the date of this Offering Memorandum, includes a partnership; a syndicate; a joint venture; a co-operative; an association; a pension plan; a trust; and any other body that is prescribed in the regulations to the SFSA.

For the purposes of this definition, "beneficiaries of the trust" has the meaning ascribed thereto in the SFSA which, at the date of this Offering Memorandum, means persons who are any of the following: (a) in relation to the settlor: (i) a spouse; (ii) a child or adult child, including a stepchild, an adopted child or a child with respect to whom the settlor stands in the place of a parent, or the spouse of one of those persons; (iii) a parent; (iv) a brother or sister; or (v) a parent's brother or sister; and (b) the issue of a person mentioned in paragraph (a).

"**Closing**" means a closing of the issue of Offered Units pursuant to the Offering contemplated by this Offering Memorandum.

"**control**", and related terms including "**controlling**" and "**controlled**", has the meaning ascribed thereto in the Securities Act.

"**Counsel**" means Norton Rose Fulbright Canada LLP, counsel to the Partnership.

"**Covered Persons**" has the meaning ascribed thereto in Item 2.7.2 - *Management Agreement - Exculpation and Indemnification*.

"**COVID-19**" means the COVID-19 coronavirus and each of its variants, which the World Health Organization declared to be a pandemic on March 11, 2020.

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

"Credit Facilities" means, collectively, the revolving credit facility and treasury risk management facility in the amount of up to \$31,500,000 established in favour of the Partnership pursuant to a letter agreement dated March 20, 2019, among the Partnership as borrower, the General Partner and all existing and future subsidiaries of the Partnership (as determined by the lender) as the guarantors, and the Bank of Montreal as lender, and as amended by the first amending agreement dated November 10, 2020, as may be further amended, supplemented or restated from time to time.

"Defaulted Units" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Limitation on Non-Resident Ownership*.

"Defaulting Limited Partner" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Limitation on Non-Resident Ownership*.

"Distribution Amount" has the meaning ascribed thereto in Item 5.1.1 - *Distributions*.

"Early Redemption Period" means:

- (a) in respect of any Series A1 Units, the period commencing upon the day such unit is issued and expiring at the end of the day that is one year after the day such unit was issued;
- (b) in respect of any Series A2 Units, the period commencing upon the day such unit is issued and expiring at the end of the day that is two years after the day such unit was issued;
- (c) in respect of any Series A3 Units and Series W3 Units, the period commencing upon the day such unit is issued and expiring at the end of the day that is three years after the day such unit was issued; and
- (d) in respect of any Series A4 Units, the period commencing upon the day such unit is issued and expiring at the end of the day that is four years after the day such unit was issued.

"Event of Dissolution" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Term of the Partnership*.

"Farm Land Security Board" means the Farm Land Security Board and the Saskatchewan Farm Ownership Board continued pursuant to section 5 of the SFSA.

"Farmland Business" means any business activity which is directly or indirectly related to, or otherwise connected with or ancillary to, farming, farm land or any interest in farm land, including any activities of the following nature or kind: purchase, ownership, leasing, development, management, cultivation, cropping, sale, financing or operations.

"Fiscal Period" means the fiscal period of the Partnership, which will commence on January 1 in each year and end on the earlier of December 31 in that year or on the date of dissolution or other termination of the Partnership, or commence and end on such other dates as the General Partner may determine and CRA may permit during the term of the Partnership, and the Fiscal Period shall thereafter end on the anniversary of such alternate date.

"Federal PPRP Act" means the Prohibition on the Purchase of Residential Property by Non-Canadians Act, and the regulations enacted thereunder, each as amended from time to time.

"General Partner" means Veripath Farmland GP Ltd., or if it ceases to be the general partner of the Partnership, any successor general partner appointed in the manner provided in the LP Agreement.

"General Partner Default" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Removal of the General Partner*.

"General Partner's Share" means the entitlements of the General Partner set out in the LP Agreement to, among other things, a beneficial interest in the Partnership Property of the Partnership, a share in the Net Income or Net Loss of the Partnership and distributions of cash or otherwise. See Item 5.1.1 - *Distributions*.

"Governing Authority" means any stock exchange or any court or governmental department, regulatory body, commission, board, bureau, agency, or instrumentality of Canada, or of any state, province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing.

"Hurdle" means, with respect to a Series, an amount equal to the amount of simple (non-compounded) interest at the annual percentage rate applicable to such Series, being 4% for the Series A1 Units, 5% for the Series A2 Units, 6% for the Series A3 Units, 7% for the Series A4 Units and 8% for the Series W3 Units, accrued on the most recent amount determined pursuant to paragraph (A) of the definition of Adjusted Highwater Mark in respect of such Series. For greater certainty, the Hurdle is non-cumulative (i.e. it re-sets at each time a Performance Distribution is made or calculated) and will be prorated where the Performance Distribution is being calculated over a period that is less than 365 days.

"Income Tax Act" means the *Income Tax Act* (Canada) and the regulations enacted thereunder, each as amended from time to time.

"Indemnified Parties" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Business Interests of the General Partner and the Manager*.

"Limited Partners" means the limited partners of the Partnership, including the Special Limited Partner and **"Limited Partner"** means any of the Limited Partners, as the case may be.

"LP Agreement" means the third amended and restated limited partnership agreement governing the Partnership dated September 19, 2022 among the General Partner, as general partner, the Special Limited Partner, as special limited partner, and such other persons who become Limited Partners in accordance with the terms of such agreement, as the same may be amended, restated, supplemented or modified from time to time, and includes any schedules thereto, as well as any Series Creation Instrument adopted from time to time, as the same may be amended, restated or modified from time to time.

"Management Agreement" means the management agreement between the Partnership, the General Partner and the Manager, as amended, restated, supplemented or modified from time to time.

"Management Fee" means a management fee in respect of each Series, payable by the Partnership to the Manager, until the dissolution of the Partnership, calculated and payable monthly as follows:

- (a) for each Series, as soon as practicable following the end of each calendar month in each Fiscal Period, the Net Asset Value in respect of such Series as at the last day of the month just completed (the **"Subject Month"**) shall be determined by the General Partner and a fee paid to the Manager equal to the amount calculated by the following formula:

$$(P \times A) \times (1/12)$$

Where:

P = the Net Asset Value in respect of the applicable Series as at the last day of the Subject Month.

A = the stipulated percentage pertaining to the applicable Series, being 1.75% for the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and the Series W3 Units, and

- (b) the monthly fee in respect of each Series as set forth in paragraph (a) above shall accrue daily and be payable in arrears to the Manager within 15 days following the end of the Subject Month.

"Manager" means Veripath Farmland Partners LP, or if it ceases to be the manager of the Partnership, any successor manager appointed in the manner provided in the LP Agreement.

"Net Asset Value" means, with respect to a Series of the Partnership on any Valuation Date, an amount equal to: (i) when the first Units of such Series are issued, the aggregate issuance price of such Units (net of commissions and other fees paid to selling agents, and net of offering costs associated with such Series) and (ii) thereafter (A) the Net Asset Value calculated in respect of that Series on the immediately preceding Valuation Date (the **"Previous Time"**) (B) plus the increase in Partnership Property due to Unit issuances in respect of Units of that Series (net of commissions and other fees paid to selling agents, and net of offering costs associated with such Series) issued after the Previous Time; (C) minus the decrease in Partnership Property due to redemptions of Units of that Series redeemed after the Previous Time; (D) minus the aggregate of expenses and liabilities in respect of that Series accrued on the Valuation Date and/or paid since the Previous Time (to the extent not previously accrued); (E) minus any amounts paid since the Previous Time by way of distributions to Unitholders of that Series; (F) such Series' share (as determined by the ratio of the Net Asset Value calculated in respect of that Series as at the Previous Time to the aggregate Net Asset Values of all Series as at the Previous Time) of market appreciation or depreciation of the Partnership Property from the Previous Time; and (G) such Series' share (as determined by the ratio of the Net Asset Value calculated in respect of that Series determined without reference to this paragraph (G) to the aggregate Net Asset Values of all Series determined without reference to this paragraph (G)), of the liabilities of the Partnership not allocated to a Series. The General Partner may, in its reasonable discretion, make reasonable adjustments to the Net Asset Value of a Series in order to reflect any other matters that the General Partner, in its discretion, considers equitable.

The Partnership is responsible for its initial organizational expenses and the initial expenses associated with the creation and offering of each Series including, without limitation, fees and expenses of legal counsel and other service providers. Such expenses will be allocated to one or more Series by the General Partner and amortized over five years. International Financial Reporting Standards does not permit the amortization of such expenses and, as such, such amortization will cause a difference between the Net Asset Value and the net asset value of a Series for financial statement reporting purposes.

"Net Asset Value per Unit" means, with respect to a Series as at any Valuation Date, the amount determined by dividing the Net Asset Value of such Series as at such Valuation Date by the total number of Units of such Series outstanding as at such Valuation Date.

"Net Income" or **"Net Loss"** for a period of the Partnership means the net income or net loss, as the case may be, of the Partnership for that period as reported in the financial statements of the Partnership; and for income tax purposes, means the income or loss or the capital gains or capital losses, from a particular source or a source in a particular place, of the Partnership determined under all applicable income tax statutes and regulations.

"NI 45-106" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

"Offered Units" means Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units as the context so requires, and **"Offered Unit"** means a Series A1 Unit, a Series A2 Unit, a Series A3 Unit, a Series A4 Unit or a Series W3 Unit, as the context so requires.

"Offering" means the offering and distribution of Offered Units, as contemplated pursuant to this Offering Memorandum.

"Offering Memorandum" means this offering memorandum of the Partnership dated May 24, 2023 as the same may be amended or amended and restated from time to time.

"Ordinary Resolution" means a resolution of the Limited Partners that is approved:

- (a) by more than 50% of the votes cast by those Limited Partners who are entitled to vote, and who vote, in person or by proxy at a duly constituted meeting of Limited Partners; or
- (b) in writing (for which purpose counterparts and signatures by facsimile may be used) in one or more counterparts, and signed by Limited Partners holding, in aggregate, more than 50% of the aggregate number of Units held by all Limited Partners who are entitled to vote on such resolution at a meeting of Limited Partners.

"Ownership Restrictions" means ownership restrictions or requirements with respect to registered or beneficial ownership of Units or the assets of the Partnership under applicable law (including the SFSA), including as modified or supplemented by any order or other instrument issued by a Governing Authority, and it is acknowledged that Ownership Restrictions may change from time to time based upon the applicable law of the applicable province where the real property of the Partnership is located.

"Partners" means, collectively, the Limited Partners and the General Partner.

"Partnership" means the limited partnership formed under the laws of the province of Alberta pursuant to the LP Agreement and which is known as "Veripath Farmland LP".

"Partnership Act" means the *Partnership Act* (Alberta) as amended and in force from time to time.

"Partnership Property", at any time, means all of the money, properties and other assets of any nature or kind whatsoever as are "partnership property" of the Partnership as provided in the Partnership Act, and any reference to "**property of the Partnership**" or "**assets of the Partnership**" includes, in each case, the Partnership Property.

"Performance Distribution" has the meaning ascribed thereto in Item 5.1.1 - *Distributions*.

"Permitted Holder" means a Limited Partner in compliance with any Ownership Restrictions at a particular time.

"person" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts and other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

"Proportionate Interest" means, as of any point in time, in respect of a Limited Partner and a Series, the quotient obtained when the total number of Units of such Series held by such Limited Partner at the particular time is divided by the total number of issued and outstanding Units of such Series at the particular time.

"Proposed Amendments" means all specific proposals to amend the Income Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

"Quarterly Limit" has the meaning ascribed thereto in Item 5.1.3 - *Redemption and Retraction of Units - No Cash Redemption in Certain Circumstances*.

"Redemption Date" has the meaning ascribed thereto in Item 5.1.3 - *Redemption and Retraction of Units - Exercise of Redemption Right*.

"Redemption Note Interest Rate" means: (i) in respect of Redemption Notes with a maturity date of one year or less from the issuance date of the Redemption Note, the lesser of (A) 2.00%; and (B) the yield to maturity on one-year marketable bonds issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the applicable Redemption Date (and if such day is not a Business Day, the last Business Day prior to the applicable Redemption Date); and (ii) in respect of Redemption Notes with a maturity date greater than one year from the issuance of the Redemption Note, the yield to maturity on marketable bonds of the same maturity (or the most similar maturity) as the applicable Redemption Note, issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the applicable Redemption Date (and if such day is not a Business Day, the last Business Day prior to the applicable Redemption Date).

"Redemption Notes" means promissory notes issued in series, or otherwise, by the Partnership, which may be issued pursuant to a note indenture or otherwise, and issued to redeeming Unitholders in principal amounts equal to all or a portion of the Redemption Price of the Units to be redeemed and having the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at the Redemption Note Interest Rate (with such interest payable only at the maturity date of such note (with interest after as well as before maturity, default and judgement at such rate);
- (b) recourse under the Redemption Note shall be limited to, and satisfied only out of, and enforceable only against Partnership Property;
- (c) subordinated and postponed to all Senior Indebtedness (and which may be subject to specific subordination and postponement agreements to be entered into with holders of such Senior Indebtedness);
- (d) subject to earlier prepayment, being due and payable on or prior to the date that is 90 days after the expiry of the Early Redemption Period; and
- (e) subject to such other standard terms and conditions as would be included in long-term promissory notes of this kind, as may be approved by the General Partner.

"Redemption Price" means, for the Offered Units, an amount equal to the Net Asset Value per Unit on the applicable Redemption Date, multiplied by the applicable percentage set out in the table below.

Period of time between the issuance date of the Unit being redeemed and the Redemption Date	Series A1 Units	Series A2 Units	Series A3 Units	Series A4 Units	Series W3 Units
< 1 year	94%	94%	94%	94%	94%
1 year to < 2 years	100%	95%	95%	95%	95%
2 years to < 3 years	100%	100%	96%	96%	96%
3 years to < 4 years	100%	100%	100%	97%	100%
4 years and greater	100%	100%	100%	100%	100%

The General Partner may, in its sole discretion, waive the application of the percentage set out above.

Pursuant to the foregoing table, a Limited Partner will receive a lower Redemption Price if such Limited Partner redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Offered Unit held by the Limited Partner). This is intended to protect the Partnership and existing Limited Partners from a reduction in the value of the Partnership due to the payment of offering costs.

"Register" means the records of the Partnership in which are recorded the names and addresses of the Limited Partners, the number of Units held by each Limited Partner and particulars of the Transfer of Units, as maintained pursuant to the LP Agreement.

"Related Party" has the meaning ascribed thereto in NI 45-106.

"Resident Person" has the meaning ascribed thereto in section 76(j) of the SFSA which, at the date of the LP Agreement, means an individual who is: (i) a Canadian citizen; or (ii) a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act* (Canada).

"Retiring Limited Partner" means a Limited Partner that redeems all of the Units held by it during a Fiscal Period.

"Securities Act" means the *Securities Act* (Alberta) as amended and in force from time to time.

"Self Certification Forms" means, with respect to a Limited Partner, the Canada Revenue Agency Self Certification Form and/or any other Canada Revenue Agency form that the General Partner reasonably requested from the Limited Partner that the Limited Partner submitted as part of its subscription agreement pursuant to which such Limited Partner subscribed for Units or the transfer agreement and power of attorney pursuant to which such Limited Partner was Transferred Units.

"Senior Indebtedness" shall mean, at any time, all indebtedness, liabilities and obligations of the Partnership which, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or *pari passu* with the indebtedness evidenced by the Redemption Notes or any of them.

"Series" means a series of Units of the Partnership.

"Series A Unit" means a series A unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series A1 Unit" means a series A1 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series A2 Unit" means a series A2 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series A3 Unit" means a series A3 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series A4 Unit" means a series A4 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series Creation Instrument" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Attributes of the Units*.

"Series Distribution Amount" has the meaning ascribed thereto in Item 5.1.1 - *Distributions*.

"Series M Unit" means a series M unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series Meeting" has the meaning ascribed thereto in Item 2.7.1 - *LP Agreement - Approvals of Unitholders*.

"Series P Unit" means a series P unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series W Unit" means a series W unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series W2 Unit" means a series W2 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Series W3 Unit" means a series W3 unit of beneficial interest in the Partnership issued from time to time in accordance with the LP Agreement and having the rights, privileges, restrictions and conditions set out in the LP Agreement.

"Services" has the meaning ascribed thereto in Item 2.7.2 - *Management Agreement - Management Services*.

"SFSA" means *The Saskatchewan Farm Security Act* (Saskatchewan) and the regulations thereunder, as amended from time to time.

"Special Limited Partner" means Veripath Farmland Special LP.

"Special Resolution" means a resolution of the Limited Partners that is approved:

- (a) by more than 75% of the votes cast by those Limited Partners who are entitled to vote, and who vote, in person or by proxy at a duly constituted meeting of Limited Partners; or
- (b) in writing (for which purpose counterparts and signatures by facsimile may be used) in one or more counterparts, and signed by Limited Partners representing, in aggregate, more than 75% of the aggregate number of Units held by all Limited Partners who are entitled to vote on such resolution at a meeting of Limited Partners.

"Subscriber" means a subscriber for Offered Units under this Offering Memorandum.

"Transfer" means a voluntary sale or transfer of Units or other securities of the Partnership (as the case may be), in whole or in part, by a Limited Partner.

"Transmission" means an involuntary transfer of Units or other securities of the Partnership (as the case may be), in whole or in part, by a Limited Partner resulting from the death, insolvency, or bankruptcy of a Limited Partner or otherwise by operation of law.

"Unitholder" means a Limited Partner holding Units.

"Units" means an interest in the Partnership and includes the Offered Units.

"Valuation Date" means (a) the last day of each month, (b) each day on which the Partnership issues or redeems Units, and (c) such other day or days as the General Partner in its sole discretion may decide from time to time.

In this Offering Memorandum, references to "dollars" and \$ are to the currency of Canada, unless otherwise indicated.

SUMMARY OF THIS OFFERING MEMORANDUM

The following is a summary of the principal features of this Offering Memorandum and should be read together with the more detailed information contained elsewhere in this Offering Memorandum.

The Partnership:

The Partnership was formed in the province of Alberta on January 18, 2019 pursuant to the Partnership Act and intends to raise capital, both debt and equity, through borrowing activities and through the issuance of Units for the purposes of enabling the Partnership to pursue, carry-on and be engaged in the Farmland Business, being any business activity which is directly or indirectly related to, or otherwise connected with or ancillary to, farming, farmland or any interest in farmland, including, without limitation, any activities of the following nature or kind: purchase, ownership, leasing, development, management, cultivation, cropping, sale, financing or operations. The Partnership is permitted to directly or indirectly carry on the Farmland Business in whatever jurisdictions the General Partner so determines, and the Partnership may also carry on all other businesses and activities ancillary or incidental to or related to the Farmland Business, and derive income therefrom with a view to making a profit. Approximately 47,231 acres of farmland in Saskatchewan and Manitoba had been purchased by, or committed under binding contract to, the Partnership as of April 30, 2023.

See Item 2.1.1 - *The Partnership and the General Partner*, Item 2.2 - *The Business*, Item 2.3 - *Development of the Business* and Item 2.3.1 - *Current Portfolio*.

The Manager will provide certain management services to the Partnership pursuant to the Management Agreement.

See Item 2.1.2 - *The Manager* and Item 2.7.2 - *Management Agreement*.

Investment Objectives, Rationale and Strategies:

The Partnership seeks to provide its Limited Partners with competitive long-term total returns on their investment comprised of both capital appreciation and income through engaging in the Farmland Business in Canada in the provinces of Saskatchewan and Manitoba.

The Manager believes that there are several factors which are supportive of the Canadian farmland investment premise:

- (a) **Competitive Risk-Adjusted Returns:** Canadian farmland has the ability to provide investors with competitive returns, risk diversification and inflation hedging benefits;
- (b) **Favourable Global and Macroeconomic Trends:** Growing demand for agricultural commodities, in Canada and globally, is likely to continue due in large measure to increasing world population, improving diets in the developing world and biofuel consumption (i.e. growth in food, feed and fuel usage); and
- (c) **Geographic Competitive Advantages:** Attractive pricing of farmland (in comparison to similar agricultural producing regions outside Canada), access to water, expected effects of climate change, soil quality, established agriculture infrastructure, lower political risk, property protection rights and a developed legal system.

To achieve its business objectives, the Partnership intends to invest its capital in a managed diversified portfolio of Canadian farmland in the provinces of Saskatchewan and Manitoba that meets the Partnership's investment objectives. The Manager will seek to diversify the Partnership's farmland portfolio by region, crop type, management style and property size for the principal purpose of renting such properties to farm operators through a variety of rental arrangements. The Manager believes that the purchase of a diversified mix of farmland will provide the Partnership with a revenue stream that is less sensitive to adverse external factors, such as changes in commodity prices, adverse weather and pests.

Typically, the Manager expects to structure rental arrangements using "cash rent" contracts, which involve a lease at a fixed price per acre per year. In addition, the Partnership may also structure rental arrangements as: (a) "variable cash rent" agreements, which provide the Partnership with a base rate of return plus a participation in commodity price increases, or (b) "crop share" contracts, which involve the lease of farmland whereby the Partnership would receive a specified share of the crop in lieu of a fixed cash payment. The Partnership may hedge all or any portion of its exposure to crop prices related to crop share agreements.

In addition, when and if opportunities present themselves, the Partnership will seek opportunities to generate returns to investors of the Partnership through enhancements to the land value from building large contiguous blocks and incremental income from surface leases, the sale or lease of water rights and the repackaging of land into efficient farming units.

See Item 2.2.1 - *Investment Objectives*, Item 2.2.2 - *Investment Rationale* and Item 2.2.3 - *Investment Strategy*.

The information and expectations presented above are forward-looking statements and are based on the Manager's reasonable assumptions as at the date of this Offering Memorandum. There can be no assurance that the condition, event, plans and assumptions on which such forward-looking statements are based will occur.

See Item 9 - Risk Factors.

The Offering:

The Offered Units are offered to persons resident in Canada pursuant to certain exemptions from the prospectus requirements contained in the securities legislation of Canada. Under no circumstances will the General Partner accept a subscription for Offered Units if its distribution cannot be made in reliance on any such exemption or if the Subscriber is not compliant with any Ownership Restrictions. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106.

Any monies received with a rejected order will be promptly refunded without any interest.

See Item 5.2 - *Subscription Procedure*.

The Offered Units:

The Offered Units are comprised of **Series A1 Units, Series A2 Units*, Series A3 Units, Series A4 Units and Series W3 Units.**

Each Unit issued by the Partnership will represent a contribution to the capital of the Partnership in the amount of the subscription price paid for such Unit. The Partnership is authorized to issue an unlimited number of Series, and unless otherwise provided for in the Series Creation Instrument with respect to a particular Series, the Partnership is authorized to issue an unlimited number of Units of each Series.

*The Series A2 Units will not be available for subscription until July 1, 2023

Price per Security:

The price per Offered Unit as at the date hereof is \$1.2872 per Series A1 Unit, Series A2 Unit, Series A3 Unit and Series A4 Unit, and \$1.3573 per Series W3 Unit. The price per Offered Unit will be determined by the General Partner, from time to time, in its absolute discretion, and will be set forth in the subscription agreement(s) entered into between the Subscriber and the Partnership. The price per Offered Unit will be determined with reference to the Net Asset Value of the applicable Series, as determined by the Manager.

Minimum/Maximum Offering:

There is no minimum or maximum offering. You may be the only purchaser.

See Item 4 - Capital Structure.

Minimum Subscription Amount:

The minimum investment in the Partnership for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$1,000. The minimum investment in the Partnership for Series W3 Units is \$1,000,000. These minimum amounts may be waived by the General Partner, in its sole discretion.

See Item 5.2 - *Subscription Procedure*.

Payment Terms:

Payment in full by certified cheque, bank draft or wire transfer of the aggregate subscription amount payable to the Partnership with the delivery of a duly executed and completed subscription agreement.

See Item 5.2 - *Subscription Procedure*.

Proposed Closing Date(s):

Closings will occur from time to time at the discretion of the General Partner.

Insufficient Funds:

Funds available under the Offering may not be sufficient to accomplish the proposed objectives.

See Item 2.6 - *Insufficient Funds* and Item 9 - *Risk Factors*.

Distribution Policy:

Distributions are not assured or guaranteed. The Partnership does not anticipate paying any distributions on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units for the foreseeable future. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the General Partner and will also take into consideration the Partnership's results of

operations, financial condition, cash requirements, applicable law and other factors that the General Partner may consider relevant. Any distributions will be made in accordance with the LP Agreement. The General Partner may fund distributions from cash flow from the business and operations of the Partnership, debt, or capital contributions. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Partnership (including this Offering).

It is within the General Partner's sole discretion to determine the utilization of available cash flow from the business and operations of the Partnership for matters beyond satisfying all mandatory liabilities and other payment obligations of the Partnership. It is the intention of the General Partner to utilize such available cash flow primarily for acquisitions of additional assets by the Partnership. See Item 2.2.4 - *Distribution Policy*.

See Item 5.1.1 - *Distributions* and Item 9 - *Risk Factors - Cash Distributions are Not Guaranteed*.

Redemption and Retraction Rights:

You will have a right to redeem the Offered Units, but this right is qualified by the Redemption Price, restrictions and fees set forth herein. As a result, you might not receive the amount of proceeds that you want.

An investment in the Offered Units is only suitable for Subscribers who are able to make a long-term investment and do not need full liquidity with respect to this investment. Redemption rights under the LP Agreement are restricted and provide limited opportunity for purchasers to liquidate their investment in the Offered Units.

Right of Redemption:

A Limited Partner may redeem Offered Units in accordance with the terms of the LP Agreement, a summary of which is set out below.

Exercise of Redemption Right:

Units may be redeemed as at the last day of each calendar quarter (each, a "**Redemption Date**"). Redemption orders may be made by delivering to the General Partner a duly completed notice in such form as has been approved by the General Partner from time to time. Redemption orders for Offered Units must be received before 4:00 p.m. (Calgary time) 45 days prior to the last day of any calendar quarter in order to be redeemed as at the Redemption Date for such calendar quarter. If a Unit is registered in the name of an intermediary, such as a registered dealer, clearing agency or its nominee, then the redemption order for such Unit must be made through such intermediary.

The General Partner, in its discretion, may provide that a redemption fee, short-term trading fee or other fee or fees are payable with respect to Units. The General Partner shall, at all times, retain the discretion to: (i) waive any such fee for any Limited Partner; (ii) waive or alter any such redemption gate for all Limited Partners that have submitted redemption requests with respect to any Valuation Date; and (iii) waive, in whole or in part, any discount on the Net Asset Value per Unit applicable to Units submitted for redemption with respect to any Valuation Date.

Redemption Price:

Subject to the limitations in the following paragraphs, upon receipt by the General Partner of the notice to redeem a Unit, the applicable Limited Partner is entitled to receive the Redemption Price for such Unit which shall be an amount equal to the Net Asset Value per Unit determined at the Redemption Date, multiplied by the applicable percentage set out in the table below.

Period of time between the issuance date of the Unit being redeemed and the Redemption Date	Series A1 Units	Series A2 Units	Series A3 Units	Series A4 Units	Series W3 Units
< 1 year	94%	94%	94%	94%	94%
1 year to < 2 years	100%	95%	95%	95%	95%
2 years to < 3 years	100%	100%	96%	96%	96%
3 years to < 4 years	100%	100%	100%	97%	100%
4 years and greater	100%	100%	100%	100%	100%

The General Partner may, in its sole discretion, waive the application of the percentage set out above.

Pursuant to the foregoing table, a Limited Partner will receive a lower Redemption Price if such Limited Partner redeems its Offered Units within a certain period of time from the date of investment (depending on the series of Unit held by the Limited Partner). This is intended to protect the Partnership and existing Limited Partners from a reduction in the value of the Partnership due to the payment of offering costs.

Cash Redemption:

Redemption payments for redeemed Offered Units will be made within 45 days of the Redemption Date (unless postponed in accordance with the LPA). Payment for Units which are redeemed may be made by the Partnership by cheque or by electronic transfer of funds to the Limited Partner's bank account. Payments made by the Partnership of the Redemption Price by cheque are conclusively deemed to have been made upon the mailing of a cheque in a postage pre-paid envelope addressed to the former Unitholder at its last address appearing on the Register unless such cheque is dishonoured upon presentment. Upon such payment, the Partnership shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed except with respect to any outstanding payments in respect of such Units pertaining to distributions payable thereon to such former Unitholder(s) of record on a date which was prior to the date upon which such Units were tendered to the Partnership for redemption.

No Cash Redemption in Certain Circumstances:

The foregoing does not apply to Units of a particular Series tendered for redemption by a Limited Partner, where the number of Units of such Series validly tendered for redemption on a Redemption Date by such Limited Partner that is within the Early Redemption Period of such Units exceeds 3% of the total number of Units of such series held by such Limited Partner which Early Redemption Period has not expired on the Redemption Date (the "**Quarterly Limit**"), provided that the General Partner or the Manager may, in their sole discretion, waive or increase such limitation in respect of Units of a particular Series tendered for redemption in any calendar quarter by any Limited Partner. For greater certainty, the General Partner or the Manager may waive or increase the Quarterly Limit for one or more Limited Partners (or a particular Series held by such Limited Partner) and not with respect to one or more other Limited Partners (or a particular series held by other Limited Partners);

In the event that the Quarterly Limit is exceeded in a calendar quarter, then the aggregate Redemption Price to which the redeeming Limited Partner would otherwise be entitled will be paid and satisfied by a combination of cash up to the Quarterly Limit, and an issuance of Redemption Notes in respect of the remaining amount, subject to any applicable regulatory approvals.

Redemption of Units by the Partnership:

The Partnership may at any time and for any reason upon not less than five days' prior written notice to a Limited Partner redeem any or all of such Limited Partner's Units. Such redemption by the Partnership shall be treated as if such Limited Partner redeemed such Units pursuant to the LP Agreement.

The Redemption Price payable to a Unitholder for any Unit redeemed by the Partnership will be an amount equal to the Net Asset Value per Unit on the Redemption Date.

Notwithstanding the foregoing, in the event that a redemption of outstanding Units is initiated by the Partnership in circumstances where the General Partner determines, in its reasonable discretion, that continued undiminished membership of the Limited Partner in the Partnership would: (a) constitute or give rise to a violation of applicable law, including the Ownership Restrictions; or (b) otherwise subject the Partnership or the other Limited Partners to material onerous legal, tax or other regulatory requirements or consequences that cannot reasonably be avoided, then:

- (a) the discount percentage to the Redemption Price set out above of such redeemed Units shall continue to apply; and
- (b) the Partnership may complete such redemption: (i) notwithstanding any suspension of redemptions; and/or (ii) without regard to the requirement that any postponement of payment of the Redemption Price or payment of the Redemption Price through the issuance of Redemption Notes be applied on a *pro rata* basis.

Notwithstanding the foregoing, if a Limited Partner becomes a Defaulting Limited Partner, the General Partner, on behalf of the Partnership, shall have the right, without further notice, demand, formality or act whatsoever, to immediately proceed to redeem the Defaulted Units at a price per Unit equal to 75% of the aggregate Net Asset Value per Unit of the Defaulted Units held by the Defaulting Limited Partner.

Suspension of Redemptions:

The General Partner may, from time to time, in its absolute discretion and for any reason so long as it is acting reasonably, (a) suspend the redemption of Units, (b) postpone the date of payment of redeemed Units and/or (c) pay all or part of the Redemption Price of Units which are redeemed through the issuance of Redemption Notes with such notes having an aggregate fair market value equal to the portion of the Redemption Price being satisfied by such Redemption Notes, provided that any postponement of payment or payment through the issuance of Redemption Notes shall be applied on a pro rata basis to all Units submitted for redemption with respect to any Valuation Date, subject to any applicable regulatory approvals. In the event of a suspension of redemption, the General Partner will give notice to Limited Partners of such suspension. During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request for redemption will be acted upon on the first applicable Valuation Date following the recommencement of redemptions. Where possible, all reasonable efforts will be made to bring any period of suspension to an end as soon as possible.

See Item 5.1.3 - *Redemption and Retraction of Units* and Item 9.1 - *Risks Associated with the Offered Units - Limited Redemption Rights of Offered Units*.

Restriction on Transfer or Transmission of Units:

No Limited Partner shall sell, Transfer, assign or otherwise dispose of its interest in the Partnership in whole or in part except with the consent of the General Partner and in compliance with applicable laws and the LP Agreement. Any attempted Transfer or Transmission of Units made without compliance with, or in violation of, the LP Agreement will be null and void, and the General Partner will not approve any such Transfer or Transmission of Units and will not register, or permit the registration of, any such transfer.

For the terms and conditions to effect a Transfer or Transmission, see Item 5.1.4 - *Transfer of Units*.

Fees and Expenses:

The Partnership will pay the Management Fee to the Manager and reimburse the General Partner and the Manager for certain expenses. In addition, the Special Limited Partner is entitled to the Performance Distribution.

Management Fee

For providing Services to the Partnership, the Manager will be entitled to receive the Management Fee. The Management Fee may vary for each Series and is treated as an expense attributed to a particular Series. See Item 3.2 - *Fees and Expenses - Management Fee*.

Performance Distribution

The Special Limited Partner will be entitled to receive Performance Distributions in respect of each Series. See Item 5.1.1 - *Distributions*.

Expenses

The Partnership will reimburse the General Partner and the Manager, when and as invoiced, for all direct and indirect operating, general and administrative costs and expenses, as well as all other costs and expenses, that the General Partner, the Manager or their respective affiliates or associates incur or have incurred which are in any way related to, or in connection howsoever with, the business and operations of the Partnership or the performance by the General Partner and the Manager of their duties pursuant to the LP Agreement and the Management Agreement. This includes remuneration payable to certain personnel of the Manager. See Item 3.1 - *Compensation and Securities Held*.

See Item 2.7.1 - *LP Agreement - Reimbursement of the General Partner and the Manager*, Item 2.7.2 - *Management Agreement - Fees and Expenses* and Item 3.2 - *Fees and Expenses - Expenses*.

Relationship with the Manager and the General Partner and Conflicts of Interest:

As an entity managed by the Manager, the Partnership operates differently from independent, stand-alone entities. The Manager provides Services (including certain management services, sourcing and investigating acquisition and or investment opportunities for the Partnership and overseeing such acquisitions or investments, where applicable) to the Partnership pursuant to the Management Agreement. Circumstances may arise that may give rise to conflicts of interest between investors of the Partnership, on the one hand, and the Manager (or its principals), on the other hand. In addition, the directors and officers of the general partner of the Manager are also directors and officers of the General Partner, being Stephen Johnston and Barclay Laughland. This relationship, including potential conflicts of interest and other material considerations arising from the Partnership's relationship with the General Partner and the Manager are described in further detail under Item 2.1.4 - *Relationship with the Manager and the General*

Partner and Potential Conflicts of Interest, Item 2.7.1 - LP Agreement - Business Interests of the General Partner and the Manager and Item 2.7.2 - Management Agreement.

Even though the interests of the General Partner and the directors and officers of the general partner of the Manager (or their respective associates or affiliates) may from time to time be in conflict with the activities of the Partnership, such conflicts are expressly permitted by the terms of the LP Agreement and the Management Agreement. See Item 2.1.4 - *Relationship with the Manager and the General Partner and Potential Conflicts of Interest* and Item 9.2 - *Risks Associated with the Entities - Potential Conflicts of Interest*.

Term of the Partnership: The Partnership will exist until it is dissolved in accordance with the LP Agreement. See Item 2.7.1 - *LP Agreement - Term of the Partnership*.

Income Tax Consequences: There are important tax consequences to these securities. Potential purchasers should consult their own tax advisors in respect to an investment in Offered Units. See Item 7 - *Certain Income Tax Consequences*.

Selling Agents and Compensation Paid to Sellers and Finders: A person has received or will receive compensation for the sale of securities under this Offering. Specifically, the Partnership will retain several non-exclusive securities dealers to effect sales of Offered Units. Where allowed by applicable securities legislation, dealers who distribute Offered Units may be paid fees. Any fees (including any sales commissions and administration fees) on the Offered Units are paid by the Subscriber to the dealer and are in addition to, and do not form part of, the purchase price of the Offered Units. Sales commissions and other fees may be negotiated between the dealer and the Subscriber.

No agent appointed by the Partnership to offer Offered Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of the fees payable to it as agent for the Offering as described herein, provided that the Manager may pay additional fees to agents that introduce purchasers to the Partnership.

See Item 8 - *Selling Agents And Compensation Paid to Sellers And Finders*.

Concurrent and Subsequent Offerings: Concurrent with or subsequent to this Offering, the Partnership may also offer additional securities, which may not have the same terms as the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units of the Partnership, including with respect to the Management Fee, Applicable Performance Distribution Percentage, Hurdle, and redemption rights.

See Item 4 - *Capital Structure* and Item 5 - *Securities Offered*.

Risk Factors: **It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in Offered Units, obtain independent advice with respect to the Offering and this Offering Memorandum. An investment in the Offered Units is subject to significant risk from, among other things, changing economic and market conditions. There is a risk that an investment in the Partnership will be lost entirely. Only purchasers who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of the Offered Units.**

See Item 9 - *Risk Factors*.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The net proceeds of the Offering and the total funds that are anticipated to be available to the Partnership under the Offering are as follows:

		Assuming \$50,000,000 Offering ⁽¹⁾
A	Amount to be raised by this Offering	\$50,000,000
B	Selling commissions and fees ⁽²⁾⁽³⁾	\$0
C	Estimated Offering costs (including legal, accounting and audit) ⁽²⁾⁽³⁾	(\$200,000)
D	Available funds: D = A - (B+C)	\$49,800,000
E	Additional sources of funding required	\$Nil
F	Working capital deficiency ⁽⁴⁾	(\$10,992,785)
G	Total: G = (D+E) - F ⁽⁵⁾	\$38,807,215

Notes:

- (1) There is no minimum or maximum amount of funds to be raised pursuant to the Offering.
- (2) Sales commissions may be negotiated between the dealer and the Subscriber of the Offered Units. Any fees (including any sales commissions and administration fees) on the Offered Units are paid by the Subscriber to the dealer and are in addition to, and do not form part of, the purchase price of the Offered Units. See *Item 8 - Selling Agents And Compensation Paid to Sellers And Finders*.
- (3) Offering costs include legal, consulting, accounting, audit, advertising, marketing, travel and other costs associated with completing all Closings. Offering costs also include wholesaling costs, may be performed by employees of the Manager (or an affiliate), which fixed costs shall be allocated to the Partnership and reimbursed by the Partnership. The Partnership may, from time to time, enter into agreements with third parties to provide marketing, administration and related services in connection with the Offering on such terms and conditions as may be deemed advisable by the Manager. The above table does not include any fees payable in connection with such arrangements.
- (4) As at April 30, 2023, the Partnership had a working capital deficiency of approximately \$10,992,785, which includes the outstanding amount drawn under the Credit Facilities as at April 30, 2023 in the amount of \$25,550,000, which is payable on demand. See *Item 4.2 - Indebtedness*.
- (5) The Partnership intends to invest available funds it receives from the Offering (including any amounts not used to repay the Credit Facilities) in the Farmland Business. See *Item 1.2 - Use of Available Funds*.

1.2 Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming \$50,000,000 Offering ⁽¹⁾
Acquisition of Farmland ⁽²⁾⁽³⁾⁽⁴⁾	\$38,807,215
Transaction costs related to the above ⁽⁴⁾	\$500,000
Leasing of acquired Farmland ⁽⁵⁾	\$250,000
Total	\$39,557,215

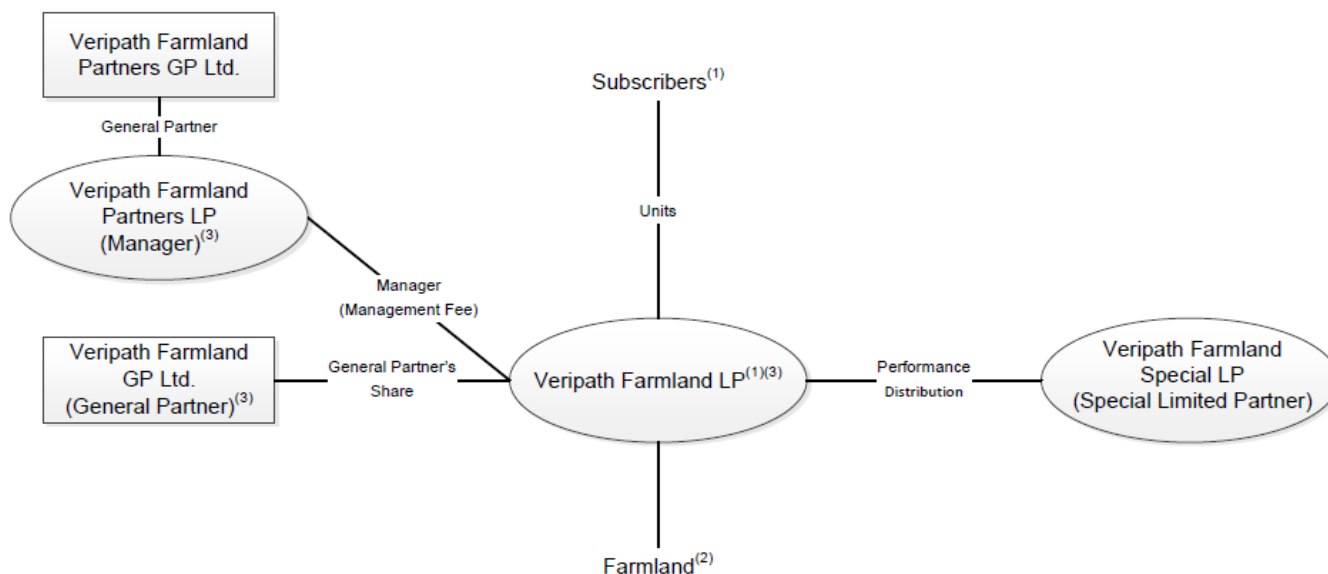
Notes:

- (1) There is no minimum or maximum amount of funds to be raised pursuant to the Offering. The Partnership may complete the issue and sale of the Offered Units at any time and from time to time at one or more Closings until the Offering is otherwise terminated.
- (2) Other than repaying the Credit Facilities in the ordinary course (\$25,550,000 outstanding as at April 30, 2023), the Partnership intends to invest all funds received under this offering in the Farmland Business. Any amounts used to repay the Credit Facilities may be redrawn at a later date for the purposes of investing in the Partnership's Farmland Business. Under the Credit Facilities, the Partnership must maintain certain financial ratios and comply with other covenants, which may impact the ability of the Partnership to re-borrow any amounts that are used to repay amounts drawn under the Credit Facilities. The amount of any such repayment is not known at this time. See *Item 4.2 - Indebtedness*.
- (3) Distributions are not assured or guaranteed. The Partnership does not anticipate paying any distributions on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units for the foreseeable future. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the General Partner and will also take into consideration the Partnership's results of operations, financial condition, cash requirements, applicable law and other factors that the General Partner may consider relevant. The General Partner may fund distributions from cash flow from the business and operations of the Partnership, debt, or capital contributions. See *Item 2.2.4 - Distribution Policy*, *Item 5.1.1 - Distributions* and *Item 9 - Risk Factors*.
- (4) The exact amount of the transaction costs associated with investments to be made by the Partnership is not known at this time. Such amounts will be paid to various third party service providers including, but not limited to, lenders, law firms, brokerages, satellite data providers and agronomy firms for services provided in association with funding, due diligence and eventual closing of acquisitions for the Partnership. The Manager has estimated transaction costs to represent approximately 1% of total capital raised under the Offering.
- (5) The exact amount of the transaction costs associated with leasing acquired farmland by the Partnership is not known at this time. The Manager has estimated such transaction costs to represent approximately 0.5% of total capital raised under the Offering.

ITEM 2 - BUSINESS OF THE PARTNERSHIP AND OTHER INFORMATION AND TRANSACTIONS

2.1 Structure

The following diagram sets out the relationship between the Partnership, the General Partner, the Manager and the Special Limited Partner.



Notes:

- (1) Subscribers under this Offering will hold the Offered Units. See Item 5.1 - *Terms of Securities*. Each Unitholder of the Partnership must be a Permitted Holder.
- (2) Approximately 47,231 acres of farmland in Saskatchewan and Manitoba had been purchased by, or committed under binding contract to, the Partnership as of April 30, 2023. The General Partner may hold legal title to all of the Partnership Property, including any farmland, in its name for the benefit of the Partnership. The General Partner is also authorized to have the title to any property of the Partnership registered in the name of a corporation whose sole function is to act as a bare trustee and agent for the Partnership. See Item 2.2 - *The Business*.
- (3) The head office of the Partnership, the General Partner, the Manager and the Special Limited Partner is located at WestMount Corporate Campus, Suite 300, 4954 Richard Road S.W., Calgary, Alberta, T3E 6L1.

2.1.1 The Partnership and the General Partner

The Partnership was formed in the province of Alberta on January 18, 2019 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act. The rights and obligations of the Limited Partners are governed by the terms of the LP Agreement. See Item 2.7.1 - *LP Agreement* for a description of certain terms of the LP Agreement.

Veripath Farmland GP Ltd., the General Partner, was incorporated on January 9, 2019, pursuant to the ABCA and is the general partner of the Partnership. Subject to the Partnership Act and subject to those limitations expressly set forth in the LP Agreement, the General Partner has exclusive authority to direct and manage the affairs of the Partnership, with full power and authority to administer, manage, control and operate the business carried on by the Partnership, and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Partnership business for and on behalf of the Partnership. The General Partner is liable by law, for the debts and obligations of the Partnership incurred while the General Partner was acting as general partner of the Partnership; provided that the General Partner shall be entitled to indemnification as provided in the LP Agreement.

The Partnership intends to raise capital, both debt and equity, through borrowing activities and through the issuance of Units for the purposes of enabling the Partnership to pursue, carry-on and be engaged in Farmland Business, being any business activity which is directly or indirectly related to, or otherwise connected with or ancillary to, farming, farmland or any interest in farmland, including, without limitation, any activities of the following nature or kind: purchase, ownership, leasing, development, management, cultivation, cropping, sale, financing or operations. The Partnership is permitted to directly or indirectly carry on Farmland Business in whatever jurisdictions the General Partner so determines, and the Partnership may also carry on all other businesses and activities ancillary or incidental to or related to Farmland Business, and derive income therefrom with a view to making a profit. See Item 2.2 - *The Business*.

The directors and officers of the General Partner are Stephen Johnston, Barclay Laughland and Carmon Blacklock. See Item 3 - *Compensation and Security Holdings of Certain Parties*.

2.1.2 The Manager

Veripath Farmland Partners LP was formed in the province of Alberta on January 18, 2019 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act. Veripath Farmland Partners GP Ltd. was incorporated on January 9, 2019, pursuant to the ABCA and is the general partner of the Manager.

The Manager acts as the manager of the Partnership pursuant to the Management Agreement, whereby the Manager provides the Services to the Partnership in consideration for the Management Fee. See Item 2.7.2 - *Management Agreement* for a description of certain terms of the Management Agreement.

The directors and officers of the Veripath Farmland Partners GP Ltd. are Stephen Johnston and Barclay Laughland. See Item 3 - *Compensation and Security Holdings of Certain Parties*.

2.1.3 The Special Limited Partner

Veripath Farmland Special LP was formed in the province of Alberta on January 18, 2019 pursuant to the Partnership Act, by the filing of the certificate of limited partnership in accordance with the Partnership Act.

The Special Limited Partner is the special limited partner of the Partnership and receives the distributions allocated to the Special Limited Partner pursuant to the LP Agreement. See Item 3.2 - *Fees and Expenses - Performance Distribution*.

2.1.4 Relationship with the Manager and the General Partner and Potential Conflicts of Interest

The Partnership does not have any employees and depends on the management and administration services provided by the Manager and the General Partner pursuant to the Management Agreement and the LP Agreement. The Partnership will pay the Management Fee to the Manager and reimburse the General Partner and the Manager for certain expenses. See Item 2.7.2 - *Management Agreement* and Item 2.7.1 - *LP Agreement*.

The success of the Partnership depends heavily on the involvement of the Manager and the General Partner, including with respect to the identification, successful negotiation and acquisition of farmland by the Partnership, the execution and implementation of business strategies and risk management for the Partnership's Farmland Business. See Item 9.2 - *Risks Associated with the Entities - Operational Dependence*.

The Partnership's organizational structure and strategy involves a number of relationships that may give rise to conflicts of interest between investors of the Partnership, on the one hand, and the General Partner and the Manager (or its principals), on the other hand. In particular, conflict of interest matters could arise, among other reasons, because:

- (a) each of Messrs. Johnston and Laughland have economic interests in or acts as senior management for other entities. Furthermore, Messrs. Johnson and Laughland are permitted, subject to the LP Agreement, to pursue other business activities and provide services to third-parties;
- (b) the Manager (and its principals) is entitled to the Management Fee and the Special Limited Partner (and its principals) is entitled to share in the returns generated by the Partnership's operations through the Performance Distribution, which could create an incentive for the Manager and the General Partner to assume greater risks when making decisions than it otherwise would in the absence of such entitlements;
- (c) the Partnership's relationship with the Manager involves a number of arrangements pursuant to which the Manager provides Services (including certain management services, sourcing and investigating acquisition and or investment opportunities for the Partnership and overseeing such acquisitions or investments) to the Partnership pursuant to the Management Agreement. Circumstances may arise in which these arrangements will need to be amended or new arrangements will need to be entered into. As the Partnership's arrangements with the Manager were effectively determined by the Manager in the context of the formation of the Partnership, they may contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties and certain contractual terms usually contained in documentation that is negotiated at arm's length may not necessarily be included in the agreements between the Manager and the Partnership as those terms would not have the same effect as they would have in transactions between unrelated parties; and
- (d) the liability of Messrs. Johnston and Laughland is limited under their arrangements with the Partnership and the Partnership has agreed to indemnify and hold harmless the Manager, the General Partner and their affiliates, associates, officers, directors, partners, securityholders, agents and employees (including Messrs. Johnston and Laughland) from and against any and all losses, costs, expenses, damages or liabilities incurred by any of them arising out of any proceedings, demands or claims arising in connection with those arrangements, which may lead them to assume greater risks when making decisions than they otherwise would if such decisions were being made solely for their own account, or may give rise to legal claims for indemnification that are adverse to the interests of the investors of the Partnership.

Under the terms of the LP Agreement, the Partnership acknowledges and agrees that the General Partner and the Manager may pursue other business activities and provide services to third parties that compete directly or indirectly with the Partnership. See Item 2.7.1 - *LP Agreement - Business Interests of the General Partner and the Manager*, Item 2.7.2 - *Management Agreement - Other Activities of the Manager* and Item 9.2 - *Risks Associated with the Entities - Potential Conflicts of Interest*.

2.2 The Business

The Partnership has been established to invest in the Farmland Business. The Partnership is raising funds pursuant to this Offering for the purpose of investing substantially all of the net proceeds of the Offering in the Farmland Business.

See Item 2.3.1 - *Current Portfolio* for a summary of the farmland portfolio owned by, or committed under binding contract to, the Partnership as at April 30, 2023.

2.2.1 Investment Objectives

The Partnership seeks to provide its Limited Partners with competitive long-term total returns on their investment comprised of both capital appreciation and income through engaging in the Farmland Business in Canada in the provinces of Saskatchewan and Manitoba.

2.2.2 Investment Rationale

The Manager believes that there are several factors which are supportive of the Canadian farmland investment premise:

- (a) **Competitive Risk-Adjusted Returns:** Canadian farmland has the ability to provide investors with competitive returns, risk diversification and inflation hedging benefits.
- (b) **Favourable Global and Macroeconomic Trends:** Growing demand for agricultural commodities, in Canada and globally, is likely to continue due in large measure to increasing world population, improving diets in the developing world and biofuel consumption (i.e. growth in food, feed and fuel usage).
- (c) **Geographic Competitive Advantages:** Attractive pricing of farmland (in comparison to similar agricultural producing regions outside Canada), access to water, expected effects of climate change, soil quality, established agriculture infrastructure, lower political risk, property protection rights and a developed legal system.

Competitive Risk-Adjusted Returns

The Manager believes that Canadian farmland can provide investors with competitive risk-adjusted returns due to the following factors:

1. **Competitive Total Returns** – Farmland investments offer the potential for competitive total returns. These returns are primarily derived from potential appreciation in the value of the farmland, supplemented by cash rents or profit-sharing income. Farmland price appreciation data measured as against the Standard & Poor's Toronto Stock Exchange index ("**S&P/TSX 60**") shows that the period from 2001 to 2022, the annual price appreciation of western Canadian farmland (excluding rental returns) averaged 8.0% compared to 5.0% for the S&P/TSX 60 with a volatility of 4.4% for western Canadian farmland versus 16.2% for the S&P/TSX 60 (the higher the percentage, the greater the volatility of the returns).¹
2. **Diversification/Low Correlation to Other Investments** – Farmland shows a low correlation to other asset classes over long periods,² meaning that its investment performance is to some degree independent of other investments. Correlation is a financial measure used to compare asset classes. Correlation simply indicates whether investments move in the same direction, opposite directions, or have no relationship, given certain market conditions. This low correlation of farmland to other asset classes means that when other investments are down, farmland may not be, which means holding farmland investments may assist with portfolio risk diversification. As an illustration, according to Farm Credit Canada, the average price of farmland in the province of Saskatchewan and across Canada increased by approximately 15% and 12% respectively in 2008,³ during one of the worst financial crises experienced in the last 50 years.

¹ Sources: S&P/TSX 60 Index, Accessed May 2023, Retrieved from <https://money.tmx.com/en/quote/%5ETX60/price-history>; Statistics Canada, Table 32-10-0047-01 "Value per acre of farm land and buildings at July 1", Accessed May 2023, Retrieved from <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210004701> and "1985-2022 Historic FCC Farmland Values Report", Farm Credit Canada, published on March 13, 2023, Accessed May 2023, Retrieved from <https://www.fcc-fac.ca/fcc/resources/2022-historic-farmland-values-report-e.pdf>

² Source: "The Financial Benefits to Investors in a Canadian Farmland Mutual Fund" - By Dr. Marvin J. Painter, Journal of International Farm Management, Volume 3, Number 1, July 2005, Accessed May 2023, Retrieved from <https://ideas.repec.org/a/ags/jasfmr/190690.html>

³ Source: "1985-2022 Historic FCC Farmland Values Report", Farm Credit Canada, published on March 13, 2023, Accessed May 2023, Retrieved from <https://www.fcc-fac.ca/fcc/resources/2022-historic-farmland-values-report-e.pdf>

3. **Inflation Hedge** – Holding an investment in farmland may help preserve capital during inflationary periods because farmland has historically performed well in times of higher inflation. Studies have also shown that farmland investments in Canada are a relatively low-risk investment that can be substituted for government and corporate bonds, especially when bonds are paying very low rates of interest.⁴
4. **Renewable Resource** – Sound farming practices can maintain and enhance productive capacity over the long term adding to the overall value of the investment.
5. **Tangible Real Asset** – Farmland has intrinsic, real value as a productive asset. Demand for agricultural commodities, in general, continues to grow consistently.

Favourable Global and Macroeconomic Trends

The Manager believes that demand for agricultural commodities (and correspondingly, the price of farmland and the rent that can be charged by owners of farmland) will increase over time due to the following global and macroeconomic trends:

1. **Population Growth** – Studies by the United Nations predict that the global population will be approximately 9.7 billion by 2050,⁵ and expects the per-capita amount of arable land available to support each person to drop to 0.15 hectares by 2050 from 0.23 hectares in 2000 and 0.38 hectares in 1970.⁶ In order to address the global demand for food, the Food and Agriculture Organization of the United Nations estimated that the annual cereal production will need to rise significantly as global meat production will increase to 455 million tonnes by 2050 from 318 million tonnes in 2016 and 36% of cereals produced globally were fed to animals in 2016.⁷
2. **Improving Diets and Rising Income in Developing Countries** – On average, a person in the developing world consumes fewer calories per day than someone living in the developed world – the difference essentially being the level of meat consumption and the multiplier effect of feeding livestock for conversion of plant protein to animal protein. Meat consumption has a strong correlation to wealth with the largest incremental increase in meat consumption occurring as per capita income levels approach US\$5,000 per annum.⁸ Increasing meat consumption has a multiplier effect on crop demand as a study conducted by the Food and Agriculture Organization of the United Nations found that an average of 3 kg of cereals are needed to produce 1 kg of meat at the global level.⁹ Low-income countries account for approximately 80% of the world's population,¹⁰ including China and India. As citizens of these countries grow in wealth, historical data indicates that they are likely to make the dietary transition to a higher meat diet.
3. **Biofuels** – Biofuel consumption has an impact on demand for crops and therefore farmland. In addition to the factors mentioned above as being potential drivers of farmland price appreciation, the Manager further believes that returns to an investor in the Partnership may also derive from other additional sources. See Item 2.2.3 - *Investment Strategy*.

Geographic Competitive Advantages

Lastly, the Manager believes that investing in Canadian farmland has competitive advantages compared to investing in farmland in other major agricultural producing regions due to the following factors:

1. **Prices of Canadian Farmland** – Canadian farmland prices have increased significantly over the past two decades.¹¹ The Manager believes this is partially due to the relaxation of strict provincial farmland ownership regulations which broadened the number of investors permitted to invest in farmland in certain provinces. Since such requirements have been relaxed since 2003, Farm Credit Canada indicated that the value of farmland in Saskatchewan has increased over 200% from 2003 to 2021.¹²

⁴ Source: "The Financial Benefits to Investors in a Canadian Farmland Mutual Fund" - By Dr. Marvin J. Painter, Journal of International Farm Management, Volume 3, Number 1, July 2005, Accessed May 2023, Retrieved from <https://ideas.repec.org/a/ags/jasfmr/190690.html>

⁵ Source: "Global Population Growth and Sustainable Development", United Nations - Department of Economic and Social Affairs, February 22, 2022, Accessed May 2023, Retrieved from

https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/undesa_pd_2022_global_population_growth.pdf

⁶ Source: "Agriculture", Food and Agriculture Organization of the United Nations, Accessed May 2023, Retrieved from <http://www.fao.org/3/am859e/am859e01.pdf>

⁷ Source: "Feeding the world in 2050 and beyond – Part 1: Productivity challenges", Michigan State University, MSU Extension Agriculture, December 3, 2018, Accessed May 2023, Retrieved from <https://www.canr.msu.edu/news/feeding-the-world-in-2050-and-beyond-part-1>

⁸ Source: "APAC: Consumption S Curve", Credit Suisse, August 6, 2012, Accessed May 2023, Retrieved from https://research-doc.credit-suisse.com/docView?language=ENG&source=emfromsendlink&format=PDF&document_id=992377261&extdocid=992377261_1_eng_pdf&serialid=zks1LBxDC2CiyPwzyJma33q%2bxcLBYfTaGxfcnwJwo%3d

⁹ Source: "More Fuel for the Food/Feed Debate", Food and Agriculture Organization, Agriculture and Consumer Protection Department, Animal Protection and Health, December 3, 2018, Accessed May 2023, Retrieved from <https://www.fao.org/3/cc3134en/cc3134en.pdf>

¹⁰ Source: "World Population by Income", Pew Research Center, July 8, 2015, Accessed May 2023, Retrieved from <http://www.pewglobal.org/interactives/global-population-by-income/>

¹¹ Source: "1985-2022 Historic FCC Farmland Values Report", Farm Credit Canada, published on March 13, 2023, Accessed May 2023, Retrieved from <https://www.fcc-fac.ca/fcc/resources/2022-historic-farmland-values-report-e.pdf>

¹² Source: "1985-2022 Historic FCC Farmland Values Report", Farm Credit Canada, published on March 13, 2023, Accessed May 2023, Retrieved from <https://www.fcc-fac.ca/fcc/resources/2022-historic-farmland-values-report-e.pdf>

However, the Manager believes the pricing of Canadian farmland remains attractive and competitive compared to international farmland markets¹³ at both absolute prices per acre and on a productivity adjusted basis (US\$/tonne of wheat production) (which is currently at a material discount (currently approximately 50%) to the global average for productivity cost (US\$) per tonne of wheat production).¹⁴

2. **Access to Water** – Irrigation of farmland increases productivity by increasing crop yield and water conditions in the soil, among many other benefits. As agriculture accounts for approximately 70% of the freshwater withdrawals in the world, one of the major questions concerning the future of irrigation is whether there will be sufficient freshwater to satisfy the growing needs of agricultural and non-agricultural users.¹⁵ Water scarcity is particularly pronounced in the Near East/North Africa and the South Asia regions,¹⁶ and projections of water supply and demand also show that serious water shortages are likely in some regions of the United States,¹⁷ and the situation in such regions is likely to worsen as a result of climate change. However, the risk of water scarcity is low in Canada as Canada has the third-largest supply of annual renewable fresh water in the world.¹⁸ The Manager believes that having access to water makes Canada's agricultural sector far less vulnerable to water shortages. In 2020, a vast majority of Canadian farms that irrigated reported to Statistics Canada that they experienced no issues that prevented irrigation.¹⁹
3. **Climate Change** – Agricultural productivity is highly dependent on the climate.²⁰ For example, hotter temperatures and changes in precipitation may introduce new risks such as crop diseases and insect pests, while a longer growing season with more heat accumulation and fewer frost days may improve crop yield in historically colder agricultural regions.²¹ While studies have shown that global warming could have serious implications for global agriculture, not all agricultural regions will suffer to the same extent as some regions are expected to have slightly cooler average temperatures and some will receive greater amounts of rainfall.²² While the data shows that climate change will negatively impact all countries, the impact to Canada with respect to losses in agricultural productivity is small compared to all the other countries included in the study such as Brazil, India, Ethiopia, and the United States.²³
4. **Soil Condition** – Agricultural productivity is also tied to soil quality. For example, soil degradation results in nutrient depletion and reduces crop yields.²⁴ Canada has relatively stable soil quality and conditions in comparison to other agricultural regions around the world, which are facing a multitude of degradation issues. Canada's ability to prevent soil degradation and erosion are due in part by the prevalence of responsible farming and agricultural best management practices by farmers and government initiatives aimed at ensuring environmental sustainability of Canadian farms.²⁵
5. **Agriculture Infrastructure** – Canada offers a broad spectrum of services and structures that support the agricultural sector, including access to major utilities such as electricity and natural gas, dependable transportation systems such as highways and railroads and access to farm equipment, machinery and technology. In addition, the Government of Canada has many initiatives to support global competitiveness, adoption of new technologies and environmental sustainability in the Canadian agricultural sector.²⁶

¹³ Source: Veripath analytics - based upon data derived from articles and reports published by the United States Department of Agriculture; Farm Credit Canada; Departments of Agriculture of Alberta, Saskatchewan and Manitoba.

¹⁴ Source: Veripath analytics - based upon data derived from articles and reports published by Savills Research; Farm Credit Canada; Departments of Agriculture of Alberta, Saskatchewan and Manitoba.

¹⁵ Source: "World Agriculture: towards 2015/2030: An FAO perspective", Food and Agriculture Organization of the United Nations, Accessed May 2023, Retrieved from <http://www.fao.org/3/y4252e/y4252e00.htm#TopOfPage>

¹⁶ Source: "How to Feed the World in 2050", Food and Agriculture Organization of the United Nations, Accessed May 2023, Retrieved from http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf

¹⁷ Source: "Adaptation to Future Water Shortages in the United States Caused by Population Growth and Climate Change" – By Thomas C. Brown et al., Earth's Future, Volume 7, Issue 3, February 2019, Accessed May 2023, Retrieved from <https://agupubs.onlinelibrary.wiley.com/doi/full/10.1029/2018EF001091>

¹⁸ Source: "Evaluating the State of Fresh Water in Canada", Fraser Institute, November 2018, Accessed May 2023, Retrieved from <https://www.fraserinstitute.org/studies/evaluating-the-state-of-fresh-water-in-canada>

¹⁹ Source: "Agricultural Water Survey, 2020" – Statistics Canada, December 2021, Accessed May 2023, Retrieved from <https://www150.statcan.gc.ca/n1/daily-quotidien/211213/dq211213d-eng.htm>

²⁰ Source: "Climate Impacts on Agriculture and Food Supply", United States Environmental Protection Agency, Accessed May 2023, Retrieved from https://19january2017snapshot.epa.gov/climate-impacts/climate-impacts-agriculture-and-food-supply_.html

²¹ Source: "Climate Change Maps for Agriculture", Climate Atlas of Canada, Accessed May 2023, Retrieved from <https://climateatlas.ca/climate-change-maps-agricultures>

²² Sources: "Climate Impacts on Agriculture and Food Supply", United States Environmental Protection Agency, Accessed May 2023, Retrieved from https://19january2017snapshot.epa.gov/climate-impacts/climate-impacts-agriculture-and-food-supply_.html and "Global Warming and Agriculture" – By William R. Cline, Finance and Development, Volume 45, Number 1, March 2008

²³ Source: "Global Warming and Agriculture" – By William R. Cline, Finance and Development, Volume 45, Number 1, March 2008, Accessed May 2023, Retrieved from <https://www.imf.org/external/pubs/ft/fandd/2008/03/pdf/cline.pdf>

²⁴ Source: "Global Soil Nutrient Depletion and Yield Reduction" – By Zhengi Tan et al., Journal of Sustainable Agriculture, Volume 26(1), June 2005, Accessed May 2023, Retrieved from https://www.researchgate.net/publication/48855698_Global_Soil_Nutrient_Depletion_and_Yield_Reduction

²⁵ Source: "Working with Ontario Farmers to Improve Soil Health and Water Quality", Agriculture and Agri-Food Canada, December 5, 2019, Accessed May 2023, Retrieved from <https://www.canada.ca/en/agriculture-agri-food/news/2019/12/working-with-ontario-farmers-to-improve-soil-health-and-water-quality.html>

²⁶ Source: "Government of Canada invests over \$50 million to help the agricultural sector address emerging challenges and opportunities", Agriculture and Agri-Food Canada, February 12, 2019, Accessed May 2023, Retrieved from <https://www.canada.ca/en/agriculture-agri-food/news/2019/02/government-of-canada-invests-over-50-million-to-help-the-agricultural-sector-address-emerging-challenges-and-opportunities1.html>

6. **Lower Political Risk** – A member of both the Organization for Economic Cooperation and the Group of Eight, Canada is considered one of the most stable economies in the world.²⁷ As of 2021, Canada is ranked in the 80th percentile for political stability and absence of violence/terrorism and in the 95th percentile for government effectiveness according to The Worldwide Governance Indicators (WGI) project.²⁸
7. **Property Protection Rights and a Developed Legal System** – According to a subcomponent of the 2023 Index of Economic Freedom used to measure the rule of law in Canada, the overall rule of law is well respected in Canada. Canada's property rights, judicial effectiveness and government integrity scores are above the world average.²⁹ Furthermore, Canada also ranks at 16th of 139 countries in the World Justice Project's Rule of Law Index. The index serves as a quantitative tool for measuring the rule of law in practice and evaluates, scores and ranks countries based on issues and factors including, absence of corruption, fundamental rights, order and security and regulatory enforcement.³⁰

2.2.3 Investment Strategy

General

To achieve its business objectives, the Partnership intends to invest its capital in a managed diversified portfolio of Canadian farmland in the provinces of Saskatchewan and Manitoba that meets the Partnership's investment objectives. The Manager will seek to diversify the Partnership's farmland portfolio by region, crop type, management style and property size for the principal purpose of renting such properties to farm operators through a variety of rental arrangements. The Manager believes that the purchase of a diversified mix of farmland will provide the Partnership with a revenue stream that is less sensitive to adverse external factors, such as changes in commodity prices, adverse weather and pests.

Typically, the Manager expects to structure rental arrangements using "cash rent" contracts, which involve a lease at a fixed price per acre per year. In addition, the Partnership may also structure rental arrangements as: (a) "variable cash rent" agreements, which provide the Partnership with a base rate of return plus a participation in commodity price increases, or (b) "crop share" contracts, which involve the lease of farmland whereby the Partnership would receive a specified share of the crop in lieu of a fixed cash payment. The Partnership may hedge all or any portion of its exposure to crop prices related to crop share agreements.

In addition, when and if opportunities present themselves, the Partnership will seek opportunities to generate returns to investors of the Partnership through enhancements to the land value from building large contiguous blocks and incremental income from surface leases, the sale or lease of water rights and the repackaging of land into efficient farming units.

Acquisition Process

The Partnership has a team that sources suitable land for acquisition, secures renters and performs front-line monitoring of the Partnership's land portfolio. This section describes, in general, the process and procedures the Manager intends to follow for each investment in farmland by the Partnership. The criteria listed below are non-exhaustive and the importance of each criteria may be weighted differently on an investment-by-investment basis.

The Manager intends to utilize a proprietary, data driven approach to investment. Key portfolio metrics are to seek to achieve:

- Low cost per bushel of productivity with low volatility of yield
- High gross rental rates and prudently managed lease durations

Stage 1: Site inspection by field manager:

- Configuration – assess the composition and configuration of the landscape. Preference is given if there is an absence of residential buildings but presence of storage assets
- Location – assess the proximity of the farmland to infrastructure such as terminals and processing facilities
- Rentability – assess the local rental rates and trends (including whether a tenant is in place or identified)
- Aggregation Possibilities – assess whether local holdings are fragmented or concentrated
- Topography – assess whether topography lends to good farmability

²⁷ Source: "The World's Most Stable Countries." – By Victor Kiprop, WorldAtlas, Mar. 6, 2018, Accessed May 2022, Retrieved from <https://www.worldatlas.com/articles/the-world-s-least-fragile-countries.html>

²⁸ Source: "Worldwide Governance Indicators", The Worldwide Governance Indicators (WGI), Accessed May 2023, Retrieved from <http://info.worldbank.org/governance/wqi/Home/Documents>

²⁹ Source: "Canada", 2023 Index of Economic Freedom, The Heritage Foundation, Accessed May 2023, Retrieved from <https://www.heritage.org/index/country/canada#rule-of-law>

³⁰ Source: "Canada", World Justice Project, February 2022, Retrieved from <https://worldjusticeproject.org/rule-of-law-index/country/2022/Canada/>

Stage 2: The Manager evaluates all transactions on the following criteria:

- Productivity Cost – dollar price per bushel of productive capacity of land
- Weather Risk – historical volatility of yield
- Local Productivity Trends – area historical yield trends
- Market Comparables – compare theoretical market price for land package based on land titles market data
- Local Price Trends – farm operator and investor interest in the area
- Diversification – whether the proposed acquisition adds useful geographic or crop diversification

Concurrently with the above evaluation, the Manager may conduct a detailed due diligence review that consists of a legal review of the farmland being purchased and any environmental assessments or agricultural impact assessments conducted in connection to the prospective investment. The Manager intends to exercise its professional judgment based on their experience when considering the suitability of an investment opportunity to the Partnership's Farmland Business.

The Partnership does not require an exemption order from the Farm Land Security Board of Saskatchewan consenting to the acquisition of farmland in Saskatchewan in excess of 10 acres provided, among other things, that each of the unitholders of the Partnership are Permitted Holders. The Partnership may be required to obtain an exemption order consenting to the acquisition of farmland from the applicable regulatory authorities in the other provincial jurisdictions it seeks to deploy capital. See Item 9.3 - *Risks Associated with the Farmland Business - Changes in Applicable Law (including the Regulatory Regime with respect to Ownership of Farmland)*.

Risk Management

The Manager's investment and operational approach seeks to mitigate keys risks associated with farmland ownership in the following manner:

Risk	Mitigation Factor
Weather – Episodic/Short Term	<ul style="list-style-type: none"> • Upfront cash-rents preferred • No operations • Tenants may be required to carry crop insurance if their rental arrangement with the Partnership is not an upfront cash-rent contract
Weather – Long Term	<ul style="list-style-type: none"> • Seek geographic diversification • Area selected must show stable or increasing yield trend • Low yield volatility • Use of water conserving zero till technology
Commodity Prices – Short Term	<ul style="list-style-type: none"> • Upfront cash-rents preferred • No operations • Tenants may be required to carry crop insurance if their rental arrangement with the Partnership is not an upfront cash-rent contract
Commodity Prices – Long Term	<ul style="list-style-type: none"> • Canadian price discount, land value should increase even in flat commodity market
Farming Practices	<ul style="list-style-type: none"> • Longer lease durations • Field team monitors for weed control and appropriate nutrient/fertilizer usage • Annual, online farming reports by quarter section
Crop Concentration	<ul style="list-style-type: none"> • Standard rotation practices provide diversification among crop types • Multiple tenants geographically dispersed results in crop diversification

2.2.4 Distribution Policy

Distributions are not assured or guaranteed. The Partnership does not anticipate paying any distributions on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units for the foreseeable future. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the General Partner and will also take into consideration the Partnership's results of operations, financial condition, cash requirements, applicable law and other factors that the General Partner may consider relevant. Any distributions will be made in accordance with the LP Agreement. If the General Partner decides to exercise its discretion to declare a distribution on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units, then, depending on various factors prevailing at the time such distribution is declared (such as, without limitation, the amount of such distribution and the Partnership's results of operations and retained cash-flow to the date of such declaration), it is possible that such distribution may be made from cash flow from the business and operations of the Partnership, debt, or capital contributions. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Partnership (including this Offering).

It is within the General Partner's sole discretion to determine the utilization of available cash flow from the business and operations of the Partnership for matters beyond satisfying all mandatory liabilities and other payment obligations of the Partnership. It is the intention of the General Partner to utilize such available cash flow primarily for acquisitions of additional assets by the Partnership.

It is important for investors to consider the particular risk factors that may affect the industry in which they are investing. See, for example, Item 9.3 - *Risks Associated with the Farmland Business*, which section also describes the Partnership's assessment of those risk factors, as well as the potential consequences to a Limited Partner if the events contemplated by a particular risk factor should occur.

See Item 5.1.1 - *Distributions* and Item 9 - *Risk Factors - Cash Distributions are Not Guaranteed*.

2.2.5 Competition

The Partnership will generally compete for farmland purchases with individuals, corporations, trusts and other limited partnerships. Certain of the Partnership's competitors may have greater financial and capital resources than the Partnership. Upon acquiring farmland, the Partnership must continue to compete with other owners of farmland in seeking tenants. The Partnership could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on farmland opportunities in Saskatchewan and Manitoba. Availability of investment capital and an increase in interest in farmland may increase competition for farmland investments, thereby increasing purchase prices, but should the availability of capital and demand for farmland decrease, there would be a negative impact on farmland prices. Increasing interest rates have result in increased costs of borrowing, potentially reducing returns on investments, which can have a constraining effect on the real estate market as well as result in higher capitalization rates and consequently decreased real estate prices and values.

2.3 Development of the Business

The Partnership has limited operating history since its inception in January 2019. Since inception, the activities of the Partnership have consisted of activities in connection with raising capital, sourcing and reviewing potential farmland for acquisition and acquiring, renting and monitoring farmland holdings. Approximately 47,231 acres of farmland in Saskatchewan and Manitoba had been purchased by, or committed under binding contract to, the Partnership as of April 30, 2023. See Item 2.3.1 - *Current Portfolio*.

While raising the funds contemplated by this Offering, the Partnership will continue to pursue its objectives as outlined elsewhere below and elsewhere herein. See Item 2.4 - *Long Term Objectives* and Item 2.5 - *Short Term Objectives*.

2.3.1 Current Portfolio

The Partnership purchases farmland in the provinces of Saskatchewan and Manitoba. The nature of the Partnership's interest in all properties in the portfolio is freehold, with the current use and suitability of the properties being for row crop grain farming operations. There is a non-material (less than 5%) portion of the portfolio that consists of agriculture storage infrastructure (grain bins, machine sheds etc.) that is for lease to the portfolio's renters. All farmland owned by the Partnership is currently leased as of the date hereof.

There are no encumbrances that would be material to a reasonable investor, nor is there any restriction on sale or dispositions of the properties. To the Manager's knowledge there are no environmental liabilities, hazards or contaminations to the properties and there are no tax arrears on the properties.

As at April 30, 2023, the farmland portfolio owned by, or committed under binding contract to, the Partnership is summarized as follows:

Rural Municipality/District	Gross Acres	Arable Acres	Percent (%) of Portfolio
MB - Killarney, Westbourne and Interlake districts	6,241	5,839	13.21%
SK - RM 255, 256 - Coteau, King George	5,650	5,288	11.96%
SK - RM 43, 45 - Old Post, Mankota	4,247	3,949	8.99%

SK - RM 12 - Poplar Valley	3,989	2,630	8.45%
SK - RM 222, 251, 252 - Craik, Big Arm, Arm River	3,339	2,938	7.07%
SK - RM 7 - Souris Valley	3,096	2,840	6.56%
SK - RM 19, 51 - Frontier, Reno	3,978	3,568	8.42%
SK - RM 487, 488, 520 - Nipawin, Torch River, Paddockwood	4,250	3,874	9.00%
SK - RM 105 - Glen Bain	2,060	1,804	4.36%
SK - RM 155 - Wolseley	1,677	1,588	3.55%
SK - RM 229, 230 - Miry Creek, Clinworth	1,440	1,267	3.05%
SK - RM 95 - Golden West	1,426	1,254	3.02%
SK - RM 471 - Eldon	1,419	1,203	3.00%
SK - RM 171 - Fox Valley	2,203	2,051	4.66%
SK - RM 37 - Lomond	936	875	1.98%
SK - RM 17 - Val Marie	640	624	1.36%
SK - RM 261 - Chesterfield	640	614	1.36%
Totals	47,231	42,206	100%

2.4 Long Term Objectives

The Partnership's long term objective is to acquire a diversified portfolio of Canadian farmland that the Manager believes will achieve capital appreciation in the value of the farmland acquired by the Partnership with supplementary income generation. The Partnership will be focused on prudently deploying its capital resources in the acquisition of farmland as quickly as market conditions and the competitive environment for farmland acquisitions will permit. There can be no assurance as to the timing and pace of such capital deployment.

The Partnership is an open-ended vehicle with no specified termination and wind-up date and the exact nature of the liquidation transaction(s) of its assets are not certain at this time. However, the Partnership may be required to liquidate a material portion or even all of its farmland portfolio to satisfy redemption requests and/or other obligations, or if an Event of Dissolution occurs. Dispositions of farmland may be arranged as multiple individual sales of the Partnership's farmland holdings into the local market, or a sale in one transaction of the Partnership's farmland holdings to a single buyer, including another fund managed by the Manager or its principals. As the costs which may be incurred in connection with any such transaction are dependent on the nature of the transaction which may ultimately be completed (which at this time is not known with certainty), such costs can not currently be reasonably estimated. See Item 2.7.1 - *LP Agreement - Term of the Partnership*.

2.5 Short Term Objectives

The primary objectives of the Partnership for the ensuing 12 months are to (a) continue to acquire capital through the Offering; (b) identify, evaluate and invest the proceeds of the Offering in Farmland Business; and (c) lease acquired farmland to one or more farm operators for either cash rent, variable cash rent or crop sharing.

Actions To Be Taken	Target Completion Date	Cost to Complete
Acquisition of Farmland	Ongoing	See Item 1.2 - <i>Use of Available Funds</i> .
Transaction costs related to the above	Ongoing	See Item 1.2 - <i>Use of Available Funds</i> .
Leasing of acquired Farmland	Ongoing	See Item 1.2 - <i>Use of Available Funds</i> .

2.6 Insufficient Funds

The available funds from the Offering may not be sufficient to accomplish all of the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing. See Item 4.2 - *Indebtedness*, Item 2.7.1 - *LP Agreement - Terms of Additional Financing* and Item 9 - *Risk Factors*.

2.7 Material Contracts

2.7.1 LP Agreement

The rights and obligations of Limited Partners are governed by the LP Agreement. A copy of the LP Agreement is available for review, upon request to the General Partner, at the offices of the General Partner during regular office hours or electronically, upon request to the General Partner at info@veripathpartners.com.

The following is a summary only of certain provisions in the LP Agreement which, together with other summaries of additional terms of the LP Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the LP Agreement, a review of which is recommended to Subscribers. See Item 2.1.1 - *The Partnership and the General Partner*.

Purpose

The Partnership was formed on January 18, 2019 under the Partnership Act and is governed by the LP Agreement. It is intended that the Partnership will raise capital, both debt and equity, through borrowing activities and through the issuance of Units for the purposes of enabling the Partnership to pursue, carry-on and be engaged in Farmland Business.

Capital Contributions

The equity capital of the Partnership shall consist of all amounts of cash or property contributed to the capital of the Partnership by Limited Partners in exchange for the issuance of Units as well as any capital contributions of the General Partner to the Partnership, less any such capital properly returned to the Partners in accordance with the Partnership Act and the LP Agreement.

No Limited Partner will be required to make additional capital contributions to the Partnership except as may be expressly provided in the LP Agreement. If the Partnership requires additional funding, the General Partner may request that one or more Partners contribute additional capital to the Partnership or loan funds to the Partnership, but Partners are not obligated to provide such funding.

Attributes of the Units

Each Unit issued by the Partnership will represent a contribution to the capital of the Partnership in the amount of the subscription price paid for such Unit. The Partnership is authorized to issue an unlimited number of Series, and unless otherwise provided for in the Series Creation Instrument with respect to a particular Series, the Partnership is authorized to issue an unlimited number of Units of each Series.

The General Partner has complete discretion in determining the timing, terms and conditions of any offering of Units of the Partnership and also determine to whom Units will be issued and may do all things which it deems necessary, convenient, appropriate or advisable in connection with any such sale of Units. Each Unit issued by the Partnership will represent a contribution to the capital of the Partnership in the amount of the subscription price paid for such Unit. Without limiting the generality of the foregoing, the General Partner may create and issue rights, warrants (including so-called "special warrants" or "subscription receipts" which may be exercisable, exchangeable or convertible for no additional consideration) or options to subscribe for Units which rights, warrants or options or other exercisable, convertible or exchangeable securities may be converted, exercised or exchanged, as applicable, at such subscription price or prices and at such time or times as the General Partner may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the General Partner may determine. Any such right, warrant or option shall not be a Unit and the holder thereof shall not be a Limited Partner or entitled to any of the rights or benefits of being a Limited Partner.

The General Partner has the discretion to determine whether to create and issue a Series and the attributes which shall attach to each Series. Each Series shall be established pursuant to one or more resolutions of the directors of the General Partner, or established in one or more instruments or documents approved by the General Partner (and executed thereby on behalf of the Partnership) setting forth the rights, privileges, restrictions and conditions attached to and comprising the Units of that Series, in each case prior to the issuance of any Units of that particular Series (each instrument, a "**Series Creation Instrument**").

The certificate of limited partnership of the Partnership filed pursuant to the Partnership Act shall be appropriately amended in connection with the adoption of each Series Creation Instrument.

The General Partner may, in its discretion at any time and from time to time, (a) subdivide the Units of a particular Series outstanding at any time so that the number of outstanding Units may be increased; or (b) consolidate the Units of a particular Series outstanding at any time so that the number of outstanding Units may be decreased. Except with the prior consent of the General Partner, a Unit may not be divided or split into fractions and, except with the prior consent of the General Partner, the Partnership will not accept any subscriptions for or record any Transfer or Transmission of any interest in less than a whole Unit. Subject to the foregoing, fractional Units shall have attached thereto the rights, privileges, restrictions, and conditions, other than voting rights, attaching to whole Units in the proportion that they bear to a whole Unit.

The Series A1 Units, Series A3 Units, Series A4 Units and Series W3 Units were created by Series Creation Instruments dated May 24, 2023. The Series A2 Units will be created subsequent to July 1, 2023 but prior to the first issuance of Series A2 Units.

Subject to the General Partner determining otherwise in a Series Creation Instrument, each holder of a Unit of a Series shall have the rights, privileges, restrictions and conditions pertaining to the Units as set out in the LP Agreement, including the following:

- (a) **Pari Passu:** Regardless of the price at which a Unit of a Series may be issued, each Unit of such Series shall represent a beneficial interest, equal to each other Unit of such Series, in all the assets and undertakings of the Partnership (other than the General Partner's Share and the Performance Distribution) attributable to such Series, with no Unit of such Series having any preference or right over any other Unit of such Series;
- (b) **Voting:** Each Unit shall entitle the holder to vote at all meetings of Limited Partners in respect of which the holder is entitled to vote in accordance with the terms of the LP Agreement. In such circumstances, each Unit shall entitle the holder thereof to one vote;
- (c) **Participation:** Each Unit shall entitle the holder to share in the Net Income, Net Loss, distributions, and returns of capital of the Partnership as provided in the LP Agreement; and
- (d) **Rights on Dissolution:** Each Unit shall entitle the holder to receive, and have allocated to them, a share in all the capital and other monies and properties available for distribution in accordance with the LP Agreement.

The voting rights attached to the Offered Units are set forth in Item 5.1.2 - *Voting Rights*. The distribution entitlements of the Offered Units are set forth in Item 5.1.1 - *Distributions*. The redemption rights in respect of the Offered Units are set forth in Item 5.1.3 - *Redemption and Retraction of Units*. The rights on dissolution of the Offered Units are set forth in Item 5.1.5 - *Rights on Dissolution or Termination*.

Distributions and Performance Distributions

The distribution entitlements of the Offered Units are set forth in Item 5.1.1 - *Distributions*. The Special Limited Partner will be entitled to receive Performance Distributions in respect of each Series as described in Item 5.1.1 - *Distributions*.

Redemption and Retraction Rights

The redemption/retraction rights of the Offered Units are set forth in Item 5.1.3 - *Redemption and Retraction of Units*.

Meetings of Limited Partners

The General Partner may at any time call a meeting of Limited Partners. There is no requirement for the General Partner to hold annual meetings.

The General Partner shall call a meeting if requisitioned in writing to do so by Limited Partners holding, in aggregate, Units representing not less than 25% of outstanding Units in good standing entitled to be voted at a meeting of Limited Partners. The requisition shall: (A) be in writing; (B) set forth the name and address of, and number and Series (and the votes attached thereto, which, in the aggregate, must not be less than 25% of outstanding Units in good standing entitled to be voted at the applicable meeting of Limited Partners) held by, each Limited Partner who is supporting the requisition; (C) state in reasonable detail the business to be transacted at the meeting; and (D) shall be sent to the General Partner at its principal place of business in Alberta. Upon receiving a requisition complying with the foregoing, the General Partner shall call a meeting of Limited Partners to transact the business referred to in the requisition, unless:

- (a) the General Partner has, within the preceding 90 days, called a meeting of Limited Partners; or
- (b) in connection with the business as stated in the requisition:
 - (i) it clearly appears that a matter covered by the requisition is submitted primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Partnership, the General Partner (or any associate or affiliate of the General Partner), the directors or officers of the General Partner, or primarily for the purpose of promoting general economic, political, religious, social or similar causes or primarily for a purpose that does not relate in a significant way to the business or affairs of the Partnership;
 - (ii) the Partnership, at any Limited Partners' request, had previously included a matter substantially the same as a matter covered by the requisition in a notice of meeting relating to a meeting of Limited Partners held within 30 months preceding the receipt of such requisition and the Limited Partner failed to present the matter, in person or by proxy, at the meeting;
 - (iii) substantially the same matter covered by the requisition was submitted to Limited Partners in a notice of meeting relating to a meeting of Unitholders held within 30 months preceding the receipt of such requisition and the matter covered by the requisition was defeated; or
 - (iv) the rights conferred by this section are being abused to secure publicity.

If the General Partner fails to call such meeting within 30 days of receipt of such requisition, then any requesting Limited Partner may call the meeting, by providing notice in accordance with the LP Agreement. If more than one Limited Partner purports to call the meeting, the notice given in accordance with the LP Agreement which calls the meeting for the earliest time will govern and the other notices will be considered invalid.

Approvals of Unitholders

In respect of approvals by Limited Partners, the General Partner shall have authority, acting reasonably, to determine if any approval of Limited Partners is required in connection with any particular matter, and to make all determinations required by this section as set out below, and such determinations shall be binding on all Limited Partners.

If in the opinion of the General Partner, any proposed matter does not materially adversely affect the rights of Unitholders of a Series then the approval of such Unitholders of such Series shall not be required and such Unitholders shall not be permitted to vote in relation to such proposed matter, unless the General Partner determines in its discretion to permit such Unitholders to vote.

If a matter requires Limited Partner approval because it materially adversely affects the rights of Limited Partners of one or more Series, then each Series that in the opinion of the General Partner is so affected (the "Affected Series") shall be entitled to approve the matter at a meeting of the Unitholders of that Series (a meeting of such holders, a "Series Meeting").

At a Series Meeting, all of the holders of Units of the Affected Series shall vote separately as a class, and the applicable matter shall not be considered approved unless it is approved as an Ordinary Resolution or Special Resolution, as applicable, by the holders of each Affected Series. All Series Meetings in respect of a particular matter may be held at the same place and time; provided that the voting shall occur as specified in this section.

See Item 5.1.2 - *Voting Rights*.

The Partnership shall not, and the General Partner shall not cause the Partnership to, take any of the following actions except with the approval of the Limited Partners granted by Ordinary Resolution:

- (a) carry on any business other than business constituting Farmland Business; or
- (b) enter into any partnership, joint venture, syndicate or other form of organization to carry on any business other than business constituting Farmland Business.

Management and Control of the Partnership

Subject to the Partnership Act and subject to those limitations expressly set forth in the LP Agreement, the General Partner shall have exclusive authority to direct and manage the affairs of the Partnership on the basis provided in the LP Agreement, with full power and authority to administer, manage, control and operate the business carried on by the Partnership on the basis provided in the LP Agreement, and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Partnership business for and on behalf of the Partnership. In construing the provisions of the LP Agreement and assessing or determining the power and authority of the General Partner, presumption shall be in favour of the grant to the General Partner of any power or authority in question. The enumeration of any specific power or authority in the LP Agreement shall not be construed as limiting the general powers or authority of the General Partner or any other specified power or authority conferred in the LP Agreement on the General Partner.

Without limiting the generality of the foregoing, and in addition to any other powers and authority granted to the General Partner under the LP Agreement, the General Partner shall have full power and authority on behalf of the Partnership on the basis provided below:

- (a) to act as the registrar and transfer agent for the Units of each Series of the Partnership, or any other securities issued by the Partnership, or retain another person to so act;
- (b) to acquire property (real or personal, tangible or intangible), all on such terms and conditions as the General Partner may determine;
- (c) to sell, transfer or otherwise dispose of, from time to time, any property or assets held or owned as Partnership Property, all on such terms and conditions as the General Partner may determine,
- (d) to re-invest the proceeds of sale, transfer or disposition of any Partnership Property, from time to time, on such terms and conditions as the General Partner may determine, and this includes such dispositions and acquisitions (as determined in the discretion of the General Partner) in order to reduce or abandon the holding of real property in a particular jurisdiction in favour of holding real property in a different jurisdiction whether due to matters pertaining to Ownership Restrictions in those jurisdictions or otherwise;
- (e) to retain managers (including the Manager) to manage all or any part of the property or business of the Partnership, as the General Partner determines in its sole discretion;
- (f) to retain accountants and auditors for the Partnership;

- (g) to engage such professional advisers as the General Partner considers advisable in order to perform its powers and duties under the LP Agreement, including the engagement of appraisers or valuers at such times and for such purposes as such General Partner deems appropriate;
- (h) to determine the Net Asset Value in relation to each Series;
- (i) to enter into an administrative agreement with any person to enable or assist it to carry out the General Partner's management obligations to the Partnership;
- (j) to open and operate in the name of the Partnership bank accounts in order to deposit and to distribute funds with respect to the Partnership;
- (k) to negotiate, execute, deliver and carry out all agreements, documents, instruments and arrangements which require execution by or on behalf of the Partnership involving matters or transactions pertaining to the business of the Partnership;
- (l) to create Series and issue Units of a Series and other securities of the Partnership (including securities convertible into or exchangeable for Units or other securities of the Partnership, or warrants, options or other rights to acquire Units or other securities of the Partnership);
- (m) subject to the terms under the LP Agreement in respect of Additional Financing of the Partnership, to issue debt securities and otherwise borrow funds, as well as mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the property and assets of the Partnership, whether as security for obligations of the Partnership or otherwise;
- (n) to guarantee (whether as guarantor, surety or co-principal obligor, or otherwise) any obligations, indebtedness or liabilities, present or future, direct or indirect, absolute or contingent, matured or not of any person for, or in pursuit of pursuing or facilitating the business and purposes of the Partnership, and to mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the property or assets of the Partnership as security for such guarantee;
- (o) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the business of the Partnership;
- (p) to commence or to defend on behalf of the Partnership any and all actions and other proceedings pertaining to the Partnership or the business carried on thereby;
- (q) subject to the terms under the LP Agreement in respect of Additional Financing of the Partnership, to borrow money for and on behalf of the Partnership and to give security therefor, whether in the name of the Partnership or the General Partner, for the purposes of the Partnership including, without limitation, for the purpose of financing or refinancing the business carried on by the Partnership;
- (r) to determine the amount and type of insurance coverage to be maintained in order to protect the Partnership in relation to the business of the Partnership being carried on, its business and its managers (including representatives of the General Partner) from all usual perils of the type covered in comparable businesses and in order to comply with the requirements of lenders or other financiers to the Partnership;
- (s) to hold the Partnership Property, including all chattels therein, in the name of the Partnership, the name of the General Partner, or the name of a corporation whose sole function is to act as a bare trustee and agent for the Partnership;
- (t) to hold cash and other investments (whether short-term or long-term) in connection with and for the purposes of the activities and business of the Partnership, including for investment of funds not immediately required for conducting the business of the Partnership;
- (u) to make distributions of cash or other Partnership Property, including the Performance Distribution;
- (v) to file any returns and maintain such records as are required by any governmental, regulatory or like authority with respect to the business of the Partnership;
- (w) to make for and on behalf of the Partnership and for and on behalf of each Partner, in respect of such Partner's interest in the Partnership, any and all filings, elections, determinations or designations under the Income Tax Act or any other taxation or other legislation or similar laws of Canada or of any province or jurisdiction thereof;
- (x) to provide or cause to be provided to any bank, creditor, financial institution or any other person such guarantees, indemnities, postponements and subordinations, acknowledgements, assurances or other credit support, in any form whatsoever, as the General Partner, in its sole discretion, deems necessary, useful or desirable in connection with the establishment or arrangement of any and all debt or equity financings of the Partnership or its affiliates and associates,

including any extensions, renewals, refinancings or replacements thereof, and to enter into any agreement, indenture, instrument or other document on such terms and conditions as the General Partner, in its sole discretion, may deem appropriate in the circumstances in connection with such financings;

- (y) to postpone and subordinate, in right of payment, all present and future indebtedness, liabilities and obligations of a person owed to the Partnership to payment in full of all present and future indebtedness, liabilities and obligations of such person to lenders and other creditors of such person, and to enter into any agreement or instrument to create or provide for such postponement and subordination in favour of such lenders and creditors; and
- (z) to do anything that is in furtherance of or incidental to the business of the Partnership and to execute any and all deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of the LP Agreement.

No person dealing with the Partnership shall be required to inquire into the authority of the General Partner to do any act, take any proceedings, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

Except as otherwise specifically set forth in the LP Agreement, the General Partner in exercising its powers and discharging its duties under the LP Agreement shall act honestly, in good faith and in the best interests of the Partnership, and the General Partner shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Power of Attorney

Upon becoming a Limited Partner of the Partnership, each Limited Partner, pursuant to the terms of the LP Agreement, irrevocably makes, constitutes and appoints the General Partner to act, with full power of substitution, as its true and lawful attorney and agent, to act on its behalf with full power and authority, in its name, place and stead and for its use and benefit to: (a) execute, swear to and record in the appropriate public offices any and all of the following: (i) the certificate of limited partnership and any amendments to the certificate of limited partnership required under the Partnership Act and such other instruments as are necessary to form, qualify or continue and keep in good standing the Partnership as a limited partnership in Alberta, Saskatchewan and any other jurisdiction where the Partnership carries on business; (ii) the LP Agreement and all documents and agreements necessary to reflect any amendment to the LP Agreement; and (iii) all conveyances and other instruments necessary to reflect the dissolution of the Partnership, the termination of a Series, or the redemption of Units, including cancellation of the certificate of limited partnership (in the case of a dissolution of the Partnership) and the execution of any elections under the Income Tax Act, or other legislation; (b) execute and file all elections, determinations, designations and returns or similar documentation or instruments under the Income Tax Act, the *Excise Tax Act* (Canada) or any other taxation or other legislation or laws of like import of Canada or of any provinces or jurisdictions in respect of the affairs of the Partnership and of a Limited Partner's interest in the Partnership; (c) execute and file with any governmental body or instrumentality thereof, or any regulatory body, any documents necessary to be filed in connection with the business, property, assets and undertaking of the Partnership; (d) execute and deliver such conveyances, transfers and other instruments on behalf of a Limited Partner as may be necessary or desirable to effect a Transfer or Transmission of Units made by a Limited Partner, or, in the case of the General Partner, to execute such conveyance, transfers and other instrument on behalf of a Limited Partner as may be necessary or desirable to effect a sale of Units (including a redemption of Units by the Partnership) in the event that the Limited Partner becomes a Defaulting Limited Partner in accordance with the LP Agreement; (e) execute and deliver any documents or instruments required in connection with any mortgage, refinancing or sale; (f) execute and deliver such documents on behalf of and in the name of the Partnership and the Limited Partners as may be necessary to carry out the business of the Partnership; and (g) execute and deliver such other documents on behalf of and in the name of the Limited Partners and/or the Partnership as may be deemed necessary by the General Partner to give effect to the provisions of the LP Agreement and/or to carry out fully the LP Agreement in accordance with its terms.

To evidence the foregoing, each Limited Partner has or shall, in executing a subscription agreement for the purchase of the Offered Units, execute a power of attorney substantially in the form noted above or as otherwise approved by the General Partner. Each Subscriber, upon becoming a Limited Partner, acknowledges and agrees that it has given such power of attorney and will ratify and be bound by any and all actions taken by the General Partner pursuant to such power of attorney.

Under the LP Agreement, each Limited Partner agrees that the power of attorney granted under the LP Agreement is irrevocable and is a power coupled with an interest and will survive the death, disability, incapacity, insanity and insolvency of a Limited Partner and will survive the assignment or transfer (to the extent of the obligations of such Limited Partner under the LP Agreement), by such Limited Partner, of the whole or any part of the interest of such Limited Partner in the Units being assigned or transferred, and will extend to and be binding upon the heirs, executors, administrators, successors and assigns of the Limited Partner and may be exercised by the General Partner on behalf of each Limited Partner (whether referring to them collectively as Limited Partners, or by listing all of the Limited Partners on whose behalf the instrument is being executed) with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions of the General Partner, and hereby waives any and all defenses which may be available to contest, mitigate or disaffirm the action of the General Partner, taken in good faith and acting legally under such power of attorney. The power of attorney shall survive any dissolution or termination of the Partnership. This power of attorney shall continue in respect of the General Partner so long as it is general partner of the Partnership, and shall terminate thereafter, but shall continue in respect of a new General Partner as if the new General Partner were the original attorney.

Removal of the General Partner

The Limited Partners have no right to remove the General Partner except upon the occurrence of any one of the following defaults (a "General Partner Default") by the General Partner:

- (a) the General Partner or a majority of its directors have been convicted of fraud or embezzlement;
- (b) the General Partner (i) files a voluntary petition in bankruptcy or makes any assignment for the benefit of creditors of the General Partner, (ii) is involuntarily dissolved and commences its winding-up, or (iii) consents to or acquiesces to the appointment of a trustee, receiver or liquidator of the General Partner;
- (c) the General Partner has commenced against it (i) the institution of any proceeding or the taking of any action seeking to adjudicate it bankrupt or insolvent or seeking liquidation, dissolution, winding-up, reorganization or protection of its property, (ii) the making of a proposal with respect to it under any law related to bankruptcy, insolvency, reorganization or other similar law, or (iii) the seeking of the appointment of a receiver, trustee, agent or other similar official for it for a substantial part of its assets, provided that any such proceeding, petition or action under this paragraph (c) has been commenced against the General Partner or any of its assets by a bona fide party and is not stayed, vacated or dismissed within 90 days; or
- (d) the General Partner has breached any of its material covenants or obligations under the LP Agreement and such breach is not cured within 60 days (or is in the process of being cured within 60 days and is not cured within 180 days) of a Limited Partner formally notifying the General Partner of such default.

Upon the occurrence of a General Partner Default, the Limited Partners may remove the General Partner by a Special Resolution of the Limited Partners, provided that such Special Resolution shall only be effective if it includes provision for the appointment of a substitute general partner of the Partnership to be appointed within 180 days of the date of such Special Resolution. The Limited Partners must provide the General Partner with written notice stating the effective date of the removal, provided that the removal of the General Partner shall only take effect, notwithstanding the Special Resolution, once the following has occurred (the later of (i) the stated effective date of removal, and (ii) the date on which all of the following have occurred): (i) the full and unconditional release of the General Partner and its affiliates or associates (as the case may be) is obtained in respect of any mortgage or other indebtedness, liability or obligation of the Partnership to which they are subject, whether as a guarantor, co-covenantor or otherwise; and (ii) the payment of all money owing to the General Partner and its affiliates and associates in accordance with the terms of the LP Agreement.

Management Fee

For providing Services to the Partnership, the Manager will be entitled to receive the Management Fee in respect of each Series as described in Item 3.2 - *Fees and Expenses - Management Fee*. The Management Fee is treated as an expense attributed to a particular Series.

Reimbursement of the General Partner and the Manager

The Partnership will reimburse the General Partner and the Manager, when and as invoiced, for all direct and indirect operating, general and administrative costs and expenses, as well as all other costs and expenses, that the General Partner, the Manager or their respective affiliates or associates incur or have incurred which are in any way related to, or in connection howsoever with, the business and operations of the Partnership or the performance by the General Partner and the Manager of their duties pursuant to the LP Agreement and the Management Agreement, including, without limitation:

- (a) the expenses of creating, maintaining and organizing entities and the expenses of any debt or equity financing of such entities (including the issuance of Units);
- (b) all legal, audit and accounting related fees and expenses and marketing expenses, as well as the cost of all professional, technical, administrative and other services and advice;
- (c) mailing and printing expenses for all communications with, and reporting to, Limited Partners and for meeting materials, if any;
- (d) taxes and ongoing regulatory filing fees;
- (e) all costs and expenses relating to the acquisition, divestiture and ownership of farm land and all other assets of the Partnership;
- (f) capital expenditures;
- (g) any expenditures which may be incurred in connection with the dissolution of the Partnership and the distribution of assets to the Partners; and
- (h) all other out-of-pocket and third party expenses incurred by the General Partner, the Manager or their agents, and all other incidental expenses.

Business Interests of the General Partner and the Manager

The LP Agreement provides that the General Partner, Management (defined in the LP Agreement as the officers and directors of the General Partner and the Manager and its personnel, including its officers and directors), the Special Limited Partner, the Manager and their respective affiliates, associates, officers, directors, partners, securityholders, agents and employees (collectively, the "**Indemnified Parties**"), are permitted to have business and other interests or associations of whatever nature or kind apart from their activities related to the Partnership's business, irrespective of whether (i) such activities consist of the Farmland Business or are otherwise similar to those activities of the General Partner or the Partnership or (ii) such businesses and activities directly compete with, or disfavor or exclude the Partnership or the General Partner. Such business interests, activities and engagements shall be deemed not to constitute a breach of the LP Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the General Partner or the Partnership (or any of their respective securityholders) and shall be deemed not to be a breach of the General Partner's fiduciary duties or any other obligation of any type whatsoever of the General Partner. None of the General Partner or the Partnership or any other person shall have any rights by virtue of the LP Agreement or the partnership relationship established hereby or otherwise in any business ventures of an Indemnified Party.

Pursuant to the LP Agreement, the General Partner and the Indemnified Parties shall have no obligation under the LP Agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Partnership or the Limited Partners.

The validity of a contract, transaction, arrangement or payment involving the Partnership, on the one hand and an affiliate or associate of the General Partner or any member of Management (or their respective associates or affiliates), on the other hand shall not be challenged or affected merely by reason of the relationship between the Partnership, on the one hand, and the affiliate or associate of the General Partner or any member of Management (or their respective associates or affiliates), on the other hand or by reason of the approval or lack thereof of the contract, transaction, arrangement or payment by the directors of the General Partner, all of whom may be officers, directors, or employees of, or otherwise interested in or related to such member of Management or affiliate or associate of the General Partner or Management.

The Limited Partners acknowledge that there are and will continue to be potential or actual interests of the General Partner or Management (or their respective associates or affiliates), including conflicts of interest, with respect to business or other interests held by, and/or contractual arrangements or transactions involving, one or more of Management, the Partnership, Unitholders, the General Partner and any of the respective affiliates and associates of any of them, and the Limited Partners agree that interests of the General Partner or any member of Management (or their respective associates or affiliates), including any conflicts of interest, will not form the basis for any claim against Management, the General Partner or any respective affiliate or associate thereof, or their respective shareholders, directors, officers or employees, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same), in each case, provided that the General Partner has otherwise exercised its powers and discharged its duties under the LP Agreement honestly and in good faith.

The General Partner may from time to time enter into agreements or contracts pursuant to which the General Partner employs or retains, on behalf of the Partnership, an affiliate or associate of the General Partner or any member of Management or an associate or affiliate of Management to provide goods or services to the Partnership, provided that the terms of such agreements or contracts are no less favourable to the Partnership than those that would be obtained from an independent third party.

Indemnification by the Partnership

The General Partner will not be liable for the return of any capital contributions or capital account of a Limited Partner. Neither the General Partner, nor any of its respective officers, directors, shareholders, partners, agents or employees, shall be liable, responsible or accountable in damages or otherwise to the Partnership for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partner by the LP Agreement or by law, provided such persons have acted honestly and in good faith.

Pursuant to the LP Agreement, the Partnership shall indemnify and hold harmless the Indemnified Parties from and against any and all losses, costs, expenses, damages or liabilities incurred by any of them arising out of any proceedings, demands or claims (in this section, collectively, the "**Claims**") based upon any acts performed or omitted to be performed by them in connection with the business of the Partnership, including costs, expenses and solicitors fees (on a solicitor and own client basis) expended in the investigation, settlement or defence of any such Claim, provided that any such person seeking such indemnification must have (in order to be entitled to indemnification under the LP Agreement) acted honestly and in good faith.

The General Partner is authorized under the LP Agreement, in its sole discretion, to use Partnership Property to settle a trust for the benefit of Indemnified Parties entitled to indemnification under the LP Agreement solely to provide for indemnification of the applicable Indemnified Parties in accordance with the terms hereof, and upon resolution of the applicable Claim in respect of which the trust was settled, any remaining Partnership Property shall be distributed to the General Partner as residuary beneficiary of such trust to be received as Partnership Property. If the Partnership has been dissolved, the applicable Partnership Property shall then be distributed to the Partners who were entitled to receive the Partnership Property upon termination, redemption or repurchase, as provided in the LP Agreement.

The indemnification of the General Partner as provided in the LP Agreement shall be provided by the assets of the Partnership and not from the Limited Partners personally.

Allocation of Net Income and Net Loss

The following shall apply in respect of the allocation of Net Income and Net Loss of the Partnership:

- (a) Subject to the General Partner's discretion to give effect to an appropriate allocation among Limited Partners after taking into consideration any matters that may be relevant, the Net Income or Net Loss of the Partnership (as the case may be) for a Fiscal Period, shall be allocated by the General Partner, in its reasonable discretion, among each Series.
- (b) The Net Income or Net Loss, as the case may be, which are allocated to each Series for a Fiscal Period shall be then further allocated in the discretion of the General Partner in the following priority:
 - (i) first, such Net Income (if any) shall be allocated to the Special Limited Partner in an amount equal to the Performance Distributions, if any, the Special Limited Partner(s) receives in respect of such Series for such Fiscal Period;
 - (ii) second, 0.001% of the remaining unallocated Net Income or Net Loss attributable to the Series shall be allocated to the General Partner in respect of the General Partner's Share; and
 - (iii) third, the remaining unallocated Net Income or Net Loss attributable to the Series shall be allocated among the Limited Partners holding Units of such Series during such Fiscal Period, in accordance with the relative aggregate Net Asset Value per Unit attributable to the Units of such Series held by each Limited Partner of that Series;

provided, however, where a Limited Partner redeems Units of a Series during a Fiscal Period but is not a Retiring Limited Partner, the Net Income or Net Loss of the Series allocable to the Units of the Limited Partner so redeemed shall be determined by the General Partner in its sole discretion, reasonably exercised.

- (c) The General Partner in its sole discretion, reasonably exercised, will allocate, in a manner that the General Partner considers just and reasonable, Net Income or Net Loss for a Fiscal Period calculated in accordance with the Income Tax Act to Retiring Limited Partners.

Terms of Additional Financing

Any Additional Financing, shall be arranged by the General Partner with such person(s) as the General Partner in its sole discretion may determine. The General Partner is authorized to borrow funds:

- (a) in its own name;
- (b) in the name of the Partnership; or
- (c) in the name of a corporation whose sole function is to act as a bare trustee and agent for the Partnership;

and may grant security for such borrowing in the form of a mortgage or any other charges, encumbrances or security interests of whatsoever nature in respect of or against the undertaking, assets and operations of the Partnership, any of which may be in priority to the interests therein of the Limited Partners under the LP Agreement.

The General Partner has complete discretion in determining the timing, terms and conditions of any Additional Financing and the General Partner may, in its sole discretion, (a) determine to whom to issue debt securities, or other securities of the Partnership, in connection with such Additional Financing, (b) mortgage, pledge, charge, grant a security interest in or otherwise encumber all or any part of the Partnership Property, whether as security for obligations of the Partnership under any Additional Financing or otherwise, and (c) may do all things which it deems necessary, convenient, appropriate or advisable in connection with any Additional Financing.

Without limiting the generality of the foregoing the terms and conditions of any Additional Financing, as determined by the General Partner, may be set forth in a written agreement, instrument or other document to which the Partnership and the other persons involved with, participating in, or otherwise purchasing securities in connection with, such Additional Financing are together bound.

Restriction on Transfers or Transmissions of Units

Limited Partners cannot transfer their Units except in very limited circumstances. See Item 5.1.4 - *Transfer of Units*, Item 9 - *Risk Factors* and Item 11 - *Resale Restrictions*.

Limitation on Non-Resident Ownership

A Limited Partner shall be in default of the LP Agreement (the "**Defaulting Limited Partner**") upon the occurrence of any of the following events:

- (a) the representations, warranties and covenants of a Limited Partner as set forth in the LP Agreement should prove to be untrue at any time;

- (b) a Limited Partner that is an individual ceases to be a Resident Person;
- (c) a Limited Partner that is not an individual ceases to be a Canadian-Owned Entity, unless permitted to be a limited partner of the Partnership pursuant to an order from all applicable Governing Authorities (including the Farm Land Security Board);
- (d) a Limited Partner that was permitted to be a limited partner of the Partnership pursuant to an order from an applicable Governing Authority (including the Farm Land Security Board) has ceased to comply with the terms of such order;
- (e) a Limited Partner shall, at any time, fail to qualify or continue to qualify as a Permitted Holder;
- (f) a Limited Partner that is not a partnership ceases to be a person "resident in Canada", or a Limited Partner that is a partnership ceases to be a "Canadian partnership", each within the meaning of the Income Tax Act;
- (g) a Limited Partner fails to immediately furnish updated information to the General Partner at any time there has been a change in the most recent information provided to the Partnership: (i) with regard to such Limited Partner's status for the purposes of determining the Limited Partner's and the Partnership's compliance with the Ownership Restrictions; or (ii) set forth in a Self Certification Form provided by that Limited Partner;
- (h) a Limited Partner fails to provide any information or declaration to the General Partner as required pursuant to the LP Agreement, including any information required by the General Partner with respect to any elections, determinations or designations under the Income Tax Act, any information required by the General Partner for any determinations under the SFSA or applicable Ownership Restrictions, including without limitation, any information relating to the shareholders, beneficiaries, members or other interest holders of a Subscriber and/or Limited Partner, or any of their respective interest holders and any information which the General Partner requests in order for the Partnership to maintain compliance with applicable law; or
- (i) a Limited Partner shall be in default or non-compliance of any of its other obligations under the LP Agreement (apart from those specified in paragraphs (a) to (h) above), which default is not remedied within 30 days of notice being provided by the General Partner to such Limited Partner specifying such default.

If a Limited Partner becomes a Defaulting Limited Partner, the General Partner, on behalf of the Partnership, shall have the right, without further notice, demand, formality or act whatsoever, to immediately proceed to do one or more of the following (as determined in the sole discretion of the General Partner):

- (a) sell the Units of the Defaulting Limited Partner (the "**Defaulted Units**") to a willing purchaser, at a private sale, on such other terms and conditions (including as to price) as the General Partner deems reasonable, and the Defaulting Limited Partner agrees that there shall be deducted from the gross sale proceeds all amounts described below; or
- (b) redeem the Defaulted Units at a price per Unit equal to 75% of the aggregate Net Asset Value per Unit of the Defaulted Units held by the Defaulting Limited Partner. Notwithstanding the foregoing, the General Partner may provide for a different method of determining the purchase price in relation to the Series that are Defaulted Units in the Series Creation Instrument.

The proceeds of the sale or redemption of Defaulted Units of a Defaulting Limited Partner shall be applied first, in the case of a monetary default, towards curing such default; second, to pay any other monies that may be owing by the Defaulting Limited Partner to the Partnership, regardless of whether such indebtedness was related to the Defaulted Units or to the default giving rise to the sale or redemption; third, to the Partnership to reimburse the Partnership and/or the General Partner for any costs associated with the sale or redemption, including all placement or distribution fees incurred by the Partnership and all solicitor's costs and collection fees incurred, if any; and fourth, the remaining balance, if any, paid to the Defaulting Limited Partner upon the surrender of the unit certificates (if any) representing such Defaulted Units.

In the event that the Partnership requires a Defaulting Limited Partner to redeem its Defaulted Units, the above provisions with respect to application of proceeds of sale shall apply, *mutatis mutandis*, to deductions that the Partnership may make to the redemption price. Further, the Partnership may pay the redemption price to the Defaulting Limited Partner in cash or by issuance of a promissory note bearing a commercially reasonable interest rate and having a term no greater than 5 years.

From the date a Limited Partner becomes a Defaulting Limited Partner until such time as the default is remedied or the Defaulted Units of the Defaulting Limited Partner are sold or redeemed pursuant to the provisions of this section, the voting and distribution rights or entitlements in respect of the Defaulted Units held by such Limited Partner shall be suspended. If a Limited Partner remains a Defaulting Limited Partner at the time the Partnership is making distributions and/or allocating any Net Income and Net Loss or other amounts of the Partnership to the Partners, the General Partner may, in its sole discretion, reallocate to other Partners all of the distributions and Net Income or Net Loss or other amounts that would have been distributed or allocated to the Defaulting Limited Partner in respect of the Defaulted Units had he not been in default.

The terms and conditions related to the Transfer or Transmission of Units under the LP Agreement shall apply, *mutatis mutandis*, to such sale of the Defaulted Unit(s) of all Series of a Defaulting Limited Partner. None of the Partnership or the General Partner, nor any of their respective directors, officers, employees or agents, shall: (i) have any liability in connection with sales of Defaulted Units made pursuant to this section, including in respect of the amounts received upon such sales and the costs incurred in connection with such sales; or (ii) be liable for any determinations whatsoever made pursuant to this section.

Take Over Offers

If an offer to acquire all of the outstanding Units, other than the offeror's (or offerors') (as the context requires, in this section, the "**Offeror**") Units is made (in this section, an "**Offer**") and: (i) within the time provided in the Offer for its acceptance or within 60 days after the date the Offer is made, whichever period is shorter, the Offer is accepted by Unitholders representing at least 90% of the outstanding Units, other than the Offeror's Units; (ii) the Offeror is bound to take up and pay for, or has taken up and paid for the Units of the Unitholders who accepted the Offer; and (iii) the Offeror complies with certain requirements in accordance with the LP Agreement, the Offeror is entitled to acquire, and the dissenting Unitholders are required to sell to the Offeror, the Units held by dissenting Unitholders for the same consideration per Unit payable or paid, as the case may be, under the Offer.

Amendments to the LP Agreement

Except in certain limited circumstances where the General Partner is entitled without the approval of the Limited Partners to make amendments to the LP Agreement (as described below), the LP Agreement may be amended only in writing and only with the approval of the Limited Partners given by Ordinary Resolution. No amendment that would adversely affect the rights, obligations and liabilities of the General Partner, in its role as General Partner, may be made without its consent. Amendments to the LP Agreement may be proposed solely by the General Partner.

At any time, and from time to time, without prior notice to or the approval or consent of any Partner, the General Partner may amend any provision of the LP Agreement or add or delete any provisions provided for any of the following purposes:

- (a) ensuring or facilitating compliance, by the Partnership and/or any Limited Partner, with applicable laws (including the Ownership Restrictions), regulations, requirements or policies of any Governing Authority having jurisdiction over the Partnership;
- (b) to give effect to a change in the governing law of the Partnership to any other province of Canada;
- (c) to give effect to the admission, substitution, withdrawal or removal of Partners in accordance with the LP Agreement;
- (d) to give effect to a change that, as determined by the General Partner, is necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under applicable laws;
- (e) providing, in the opinion of the General Partner, additional protection for the Limited Partners or to obtain, preserve or clarify the provision of desirable tax treatment for the Partnership or the Limited Partners;
- (f) making amendments hereto which, in the opinion of the General Partner, are necessary or desirable in the interests of the Partners as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of the CRA);
- (g) making amendments hereto as are necessary or desirable for correcting typographical mistakes or for curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions;
- (h) making amendments hereto as are required to undertake an internal reorganization of the Partnership or its respective affiliates;
- (i) creating new Series from time to time in accordance with the provisions of the LP Agreement; or
- (j) making amendments to the LP Agreement for any purpose in addition to those stated above, provided that, in the opinion of the General Partner, the rights of the Limited Partners are not materially prejudiced thereby.

The General Partner may take all desirable or necessary actions to give effect to any such amendments, including executing, delivering, filing and recording whatever documents may be required in connection therewith.

Term of the Partnership

The Partnership shall commence dissolution and wind-up of its affairs upon the first to occur of the following events or dates:

- (a) the date upon which the General Partner resolves to dissolve the Partnership;
- (b) the General Partner gives notice of its intention to resign, and the Limited Partners fail to appoint and admit a substitute general partner within six months of the date of such notice; or

- (c) the General Partner is removed as general partner of the Partnership, and the Limited Partners fail to appoint and admit a substitute general partner within 180 days of the date of such Special Resolution.

Each of the foregoing events are referred to as an "**Event of Dissolution**".

Distributions on Dissolution or Termination

Notwithstanding any other provisions contained in the LP Agreement, from and after the occurrence of an Event of Dissolution the net proceeds from the liquidation of the assets of the Partnership shall be distributed by the receiver in the following order of priority:

- (a) to pay off any mortgages or other secured debts of the Partnership; and then
- (b) to pay the expenses of liquidation and all other outstanding debts and liabilities of the Partnership to applicable creditors, including all fees and expenses payable to the General Partner; and then
- (c) to pay any remaining amounts owed to the General Partner or the Special Limited Partner (including any Performance Distribution owed to the Special Limited Partner); and then
- (d) to provide for such reserves as the receiver may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership (which may involve the establishment of a trust as provided in the LP Agreement); and then
- (e) to the General Partner, the balance in the General Partner's capital account, if the dissolution is of the Partnership; and then
- (f) to distribute any balance then remaining that is attributable to the Limited Partners, whereby the amount to be distributed to the Limited Partners shall first be allocated to each Series in the same manner as determining the Series Distribution Amount and then, on the same basis as a Series Distribution Amount, each Limited Partner of a Series shall be entitled to a portion of the amount allocated to such Series. See Item 5.1.1 - *Distributions*.

In connection with any distribution of interests in Partnership Property pursuant to this section, the receiver may require any Limited Partner, as a requirement of receiving the distribution, to execute an acknowledgement of assumption of liabilities and obligations, in a form considered satisfactory by the receiver.

Once all such assets of the Partnership have been distributed pursuant to this section, any Units that remain outstanding may be cancelled.

Notwithstanding the foregoing, in connection with the dissolution of the Partnership, the General Partner may determine to redeem the Units of the Partnership and distribute the remaining Partnership Property to the applicable Unitholders as proceeds of redemption of the applicable Units in accordance with the terms of the LP Agreement.

Side Letters

The General Partner may, in its sole and absolute discretion and without any further action, approval or vote of, or notice to, any Limited Partner, enter into side letters or other writings with current or prospective individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the LP Agreement. Such rights or terms in any such side letter may include: (a) reporting obligations of the General Partner; (b) modifications of terms pertaining to Unit redemptions by such Limited Partner; (c) waiver of certain confidentiality obligations; (d) consent of the General Partner to certain transfers by such Limited Partner; (e) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a Limited Partner; or (f) reductions in the Management Fees, Performance Distribution and/or other fees that are charged to such Limited Partner. Any rights established, or any terms of the LP Agreement altered or supplemented in a side letter with a Limited Partner shall govern with respect to such Limited Partner notwithstanding any other provision of the LP Agreement, notwithstanding that such rights or terms are more favorable than those afforded to any other Limited Partner.

2.7.2 Management Agreement

The Manager, the Partnership and the General Partner have entered into the Management Agreement, pursuant to which the General Partner, on behalf of the Partnership, has engaged the Manager to provide or arrange for the provision of certain management and other services to the Partnership. A copy of the Management Agreement is available for review, upon request to the General Partner, at the offices of the General Partner during regular office hours or electronically, upon request to the General Partner at info@veripathpartners.com.

The following is a summary only of certain provisions in the Management Agreement which, together with other summaries of additional terms of the Management Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Management Agreement, a review of which is recommended to Subscribers.

Management Services

The Management Agreement stipulates that the Manager will provide the following services to the Partnership:

- (a) review the investment strategy of the Partnership from time to time and discuss same with the General Partner;
- (b) market the Partnership to potential investors (provided that the Manager shall not engage in any registrable activities);
- (c) source and investigate opportunities for the Partnership to acquire or invest into potential Partnership Property and oversee such acquisitions or investments;
- (d) review all reports and other documentation in respect of the acquisition or investment into potential Partnership Property, and make appropriate commercial decisions on behalf of the Partnership (and any holding entities) in relation to such acquisition or investment;
- (e) ensure the efficient due diligence, negotiation of terms with providers, sellers and other relevant parties and execution of transactions, including:
 - (i) financial appraisals, including security/credit analysis and cash flow modelling;
 - (ii) structuring the acquisition or investment into potential Partnership Property to satisfy the Partnership's objectives; and
 - (iii) oversee exchange of contracts and completion of the acquisition or investment transaction;
- (f) advise the General Partner of the Partnership's obligations and responsibilities in respect of any Partnership Property, including (as may be required) taking specialist advice from consultants on consents that may be required in connection with such investments and taking all steps to procure compliance with such obligations;
- (g) manage cash flows in connection with Partnership Property including, where appropriate, in connection with repayments, financings or refinancings;
- (h) provide reports in connection with Partnership Property as reasonably required by the General Partner;
- (i) recommend and, where requested to do so, assist in the raising of funds by the Partnership by way of the issuance of Units to investors, including the preparation, review or distribution of offering memorandums of the Partnership in respect thereof and communications support in connection therewith;
- (j) identify appropriate Partnership Property for divestment and make sale decisions;
- (k) ensure the efficient execution of divestment of Partnership Property so as to achieve the best price reasonably obtainable;
- (l) reinvest the proceeds of a sale, transfer or disposition of Partnership Property, from time to time;
- (m) monitor and manage the risk exposures of the Partnership and seek to ensure that risk remains consistent with the Partnership's objectives;
- (n) ensure that the obligations of the Partnership (and any relevant holding entity) relating to particular Partnership Property are complied with, including any financial, contractual performance, statutory, regulatory or other obligations relating to such Partnership Property;
- (o) maintain the Register;
- (p) approve any instruments transferring any Units and register any transfers by any Limited Partner in accordance with the terms of the LP Agreement;
- (q) procure valuations of the Partnership Property at such times as may be required by the LP Agreement or as the General Partner requests;
- (r) procure that the valuation agents are provided with all information material to ensuring the accurate determination of the value of the Partnership Property and so that the valuation agents may carry out valuations in accordance with the terms of their appointment;
- (s) determine the Net Asset Value in respect of the Partnership and each Series, as applicable;
- (t) open, operate and maintain accounts and records for the Partnership to receive commitments from and to make distributions to the Partners;

- (u) maintain the Partnership's records and books of account at the Partnership's principal place of business;
- (v) procure the preparation and delivery of any information, including financial statements, required to be delivered to Partners pursuant to the LP Agreement;
- (w) promptly review the annual and quarterly accounts of the Partnership, including discussing the same with the Partnership's auditors if necessary and promptly responding to any points raised;
- (x) cause the annual accounts of the Partnership to be audited by the Partnership's auditors;
- (y) calculate all allocations and adjustments of Net Income and Net Loss of the Partnership as between the Partners, including the Performance Distribution;
- (z) determine such amounts as should be paid or provision made in respect of costs, expenses, liabilities (including debts) and working capital requirements of the Partnership;
- (aa) determine all tax, structuring and other relevant considerations to be taken into account before the distribution of any proceeds following the realisation of any asset of the Partnership;
- (bb) determine whether there is sufficient cash to make a distribution, or whether making a distribution would or might leave the Partnership with insufficient funds to meet any future contemplated obligations, expenses, liabilities or contingencies;
- (cc) effect distributions to the Partners in accordance with the terms of the LP Agreement;
- (dd) procure the submission within the requisite statutory period of all the returns, claims and other documentation to the relevant tax authorities on behalf of the Partnership, the General Partner and their affiliates as may be required;
- (ee) provide assistance in relation to obtaining tax relief and rebates;
- (ff) open, maintain and close bank accounts for the Partnership;
- (gg) operate the Partnership's bank accounts, handle Partnership level receipts and expenses and ensure that there shall be no mixing of the funds of the Partnership with the monies or funds of any other entity, partnership or unincorporated association;
- (hh) nominate the signatories to the Partnership's bank accounts from time to time;
- (ii) determine the amount and type of insurance coverage to be maintained in order to protect the Partnership in relation to the business of the Partnership being carried on, its business and its managers (including the Manager) from all usual perils of the type covered in comparable businesses and in order to comply with the requirements of lenders or other financiers to the Partnership;
- (jj) administer the day-to-day operations of the Partnership, including the maintenance of proper and complete books and records in connection with the management and administration of the affairs of the Partnership;
- (kk) maintain all relevant databases, files, records, accounting books and diary systems;
- (ll) exercise, or refrain from exercising, any voting or similar rights conferred by the Partnership Property;
- (mm) deal with external queries and requests in respect of the Partnership;
- (nn) commence, defend, compromise or settle any litigation or arbitration proceedings relating to the Partnership or to its assets and arrange for and coordinate any legal services related thereto;
- (oo) at the cost of the Partnership, maintain in good order, secure and properly indexed documents and records relating to the assets of the Partnership, including all title, tenancy and management documents and records relating to the Partnership Property and additional related professional reports and certificates;
- (pp) provide certain staff (including individuals to be designated as officers of the General Partner) required by the General Partner;
- (qq) provide office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, and information management services; and

- (rr) perform all other services related to the administration and operation of the Partnership as may be reasonably requested by the General Partner from time to time (including for greater certainty, any of the items set forth in the LP Agreement that the General Partner has full power and authority on behalf of the Partnership to provide). See Item 2.7.1 - *LP Agreement - Management and Control of the Partnership*,

(collectively, the "**Services**").

Delegation

Pursuant to the Management Agreement, the Manager shall be entitled to delegate the whole or any part of the Services to any person that it thinks fit (including, without limitation, any affiliate of the Manager). Any such delegation shall not impact the Management Fee to which the Manager is entitled. The cost of any delegated Services shall be borne by the Manager and the Manager shall retain responsibility for any Services which have been delegated.

Management and Employees

The Manager will arrange for qualified personnel and support staff to be available to carry out the Services. Such personnel and support staff will devote such of their time to the provision of the Services as the Manager reasonably deems necessary and appropriate, commensurate with the level of activity of the Partnership from time to time. Such personnel need not have as their primary responsibility the provision of the Services to the Partnership or be dedicated exclusively to the provision of the Services to the Partnership. See Item 2.1.4 - *Relationship with the Manager and the General Partner and Potential Conflicts of Interest*.

Supervision of Manager's Activities

The Manager will perform its duties under the Management Agreement as an independent contractor and will, at all times, be subject to the supervision of the General Partner.

Right to Receive Advice

If the Manager shall at any time be in doubt as to any action to be taken or omitted by it under the Management Agreement on behalf of the Partnership, it may request and receive advice, at the expense of the Partnership, from legal and/or other counsel reasonably satisfactory to the Partnership and may, but shall not be required to, act thereon, and shall have no liability for any action taken or omitted pursuant thereto.

Other Activities of the Manager

Subject to the terms of the LP Agreement, neither the Manager nor any affiliate nor any director, officer, member, partner, shareholder or employee of either will be prohibited from engaging in other business activities, or providing services to, any third parties, including third parties that compete directly or indirectly with the Partnership.

Fees and Expenses

For providing Services to the Partnership, the Manager will be entitled to receive the Management Fee in respect of each Series as described in Item 3.2 - *Fees and Expenses - Management Fee*. The Partnership shall not revise the terms of the LP Agreement relating to the Management Fee without first obtaining the consent of the Manager. The Manager may share all or some of its fees with any other person, in its sole discretion.

The Partnership will reimburse the Manager for all costs and expenses pursuant to the LP Agreement and any Series Creation Instrument.

The Partnership shall, in addition to the Management Fee, pay or reimburse the Manager for all sales, use, value added, withholding or other taxes, customs duties or other governmental charges, which are levied or imposed by any Governing Authority by reason of the Management Agreement or any other agreement contemplated by the Management Agreement, except for any income taxes, corporation taxes, capital taxes or other similar taxes payable by the Manager which are personal to the Manager. Any failure by the Manager to collect monies on account of such governmental charges shall not constitute a waiver of the right to do so.

See Item 3.2 - *Fees and Expenses*.

Exculpation and Indemnification

Pursuant to the Management Agreement, the Partnership shall indemnify and save harmless the Manager and its shareholders, directors, officers, employees, professional advisors and agents (collectively, the "**Covered Persons**") from and against all claims, demands, losses, actions, causes of action, damages and liabilities whatsoever, including costs, charges and expenses (and, without limitation, legal fees and disbursements incurred by the Covered Persons on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity) arising out of any actions taken (or allegedly taken or omitted to be taken) in connection with the Management Agreement, except for claims which are caused by or arise from the fraud, willful misconduct or gross negligence on the part of the Covered Person. In the absence of fraud, willful misconduct or gross negligence, no Covered Person shall be liable to the Partnership for any loss or damage arising out of the performance of the Manager's obligations and duties under the Management Agreement.

A Covered Person seeking indemnification pursuant to the Management Agreement shall, upon reasonable request, be advanced by the Partnership the expenses (including legal fees and costs) reasonably incurred by such Covered Person in defense of any proceeding against such Covered Person prior to the final disposition thereof; provided that such Covered Person has agreed to repay such amount to the Partnership if it is ultimately determined that such Covered Person is not entitled to be indemnified as authorized in the Management Agreement.

Notwithstanding any provision to the contrary in the Management Agreement, a Covered Person may act upon the opinion or advice of or information obtained from legal advisers, bankers, accountants or other persons believed by the Covered Person in good faith and upon reasonable grounds to be expert in relation to the matters upon which such person is consulted and to be independent of the Covered Person, and the Covered Person shall not be liable for anything done or suffered by such Covered Person or such persons in good faith in reliance upon any such opinion, advice, statement or information. Further, the Covered Person shall be fully justified in reasonably relying on reports and written statements of the directors, officers and employees of a Partnership Property unless such Covered Person has reason to believe that such reports or statements were not true and complete.

The provisions in the Management Agreement with respect to the indemnification of Covered Persons will survive the completion of Services rendered under, or any termination or purported termination of, the Management Agreement.

Term and Termination

The Management Agreement shall be terminable:

- (a) by the Partnership, effective upon 30 days' prior written notice of termination to the Manager without payment of any termination fee if:
 - (i) the Manager or any of its permitted assignees or delegates defaults in the performance or observance of any material term, condition or agreement contained in the Management Agreement that has or can reasonably be expected to have a material adverse impact on the Partnership and such default continues for 90 days following the giving to the Manager of a written notice by the Partnership to remedy such default (unless the nature of such default is such that more than 90 days are required for its cure and the Manager commences to cure such default within such 90 day period and diligently pursues the completion of such curative measures);
 - (ii) the Manager or any of its permitted assignees or delegates engages in any act of fraud, misappropriation of funds or embezzlement against the Partnership that results in material harm to the Partnership;
 - (iii) there is an event of any gross negligence on the part of the Manager or any of its permitted assignees or delegates in the performance of the duties under the Management Agreement and such gross negligence results in material harm to the Partnership; or
 - (iv) the Manager makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency.

Notwithstanding the above, pursuant to the Management Agreement, the Partnership agreed and confirmed that the Management Agreement may not be terminated due solely to the poor performance or underperformance of the Farmland Business or any Partner of the Partnership.

- (b) by the Manager:
 - (i) effective upon 30 days' prior written notice to the Partnership; or
 - (ii) at any time if the Partnership makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency.

From and after the effective date of the termination of the Management Agreement, the Manager will not be entitled to receive the Management Fee for further services under the Management Agreement, but will be paid all compensation accruing to and including the date of termination.

Upon any termination of the Management Agreement, the Manager will forthwith: (i) after deducting any accrued compensation and reimbursements for any expenses to which it is then entitled, pay over to the Partnership all money collected and held for the account of the Partnership pursuant to the Management Agreement; (ii) deliver to the Partnership a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Partnership; and (iii) deliver to the Partnership all property and documents of the Partnership then in the custody of the Manager.

2.8 Related Party Transactions

Description of Business or Asset	Date of Transfer	Legal Name of Seller	Legal Name of Buyer	Amount and Form of Consideration
4,588 acres of land, including the buildings attached thereto, in the province of Saskatchewan	July 29, 2022	Agcapita Farmland VI L.P.	Veripath Farmland LP	\$8,855,000, satisfied by the issuance of 7,084,000 Series A2 Units to Agcapita Farmland VI L.P. ⁽¹⁾

Note:

(1) The consideration received from the Partnership exceeded the price Agcapita Farmland VI L.P. paid for the land. This excess was due to the appreciation of the land while owned by Agcapita Farmland VI L.P. An appraisal of the land was conducted and a fairness opinion was received in connection with the transaction.

ITEM 3 - COMPENSATION AND SECURITY HOLDINGS OF CERTAIN PARTIES

3.1 Compensation and Securities Held

The following table sets out information about each of the directors and officers of the General Partner, the Manager and the general partner of the Manager, each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class or series of voting securities of the Partnership and any Related Party that received compensation in the most recently completed financial year or is expected by the Partnership to receive compensation in the current financial year.

Full Legal Name and Place of Residence or Jurisdiction of Organization	Positions Held, Date of Obtaining that Position and Relationship to the Partnership	Compensation Paid by the Partnership or Related Party in the Most Recently Completed Financial Year and the Compensation Expected to be Paid in the Current Financial Year	Number, Type and Percentage of Securities of the Partnership held after Completion of Offering
Stephen Johnston Calgary, Alberta	Director and President of the General Partner since January 9, 2019 Director and President of Veripath Farmland Partners GP Ltd., the general partner of the Manager since January 9, 2019	See Notes 1 and 2	385,500.5299 Series W Units ⁽³⁾ (0.97% of Series W Units) See Notes 1 and 2
Barclay Laughland Calgary, Alberta	Director and Secretary of the General Partner since January 9, 2019 Director and Secretary of Veripath Farmland Partners GP Ltd., the general partner of the Manager since January 9, 2019	See Notes 1 and 2	Nil See Notes 1 and 2
Matthew Barr Calgary, Alberta	Partner level within the Manager, since April 1, 2022	\$3,750 (2022) \$5,000 Anticipated (2023)	Nil

Full Legal Name and Place of Residence or Jurisdiction of Organization	Positions Held, Date of Obtaining that Position and Relationship to the Partnership	Compensation Paid by the Partnership or Related Party in the Most Recently Completed Financial Year and the Compensation Expected to be Paid in the Current Financial Year	Number, Type and Percentage of Securities of the Partnership held after Completion of Offering
Kerri Furlong	Partner level within the Manager since June 7, 2022	\$2,846 (2022) \$50,000 Anticipated (2023)	Nil
Carmon Blacklock Calgary, Alberta	Vice President, Investments & Operations of the General Partner since December 1, 2019	\$169,000 (2022) \$197,667 Anticipated (2023)	Nil

Notes:

- (1) Messrs. Johnston and Laughland directly or indirectly hold all of the shares of the General Partner and a majority of the equity interests of the Manager and the Special Limited Partner. The General Partner and the Special Limited Partner are entitled to the General Partner's Share and the Performance Distribution, respectively. See Item 3.2 - *Fees and Expenses* and Item 5.1.1 - *Distributions*.
- (2) Messrs. Johnston and Laughland are not compensated directly by the Partnership. They are compensated by the Manager and/or the Special Limited Partner, which receives the Management Fee and the Performance Distribution, respectively. See Item 3.2 - *Fees and Expenses*. However, for the 2022 fiscal year the Manager waived the payment of a portion of the management fees otherwise payable by the Partnership to the Manager in the amount of \$34,625.
- (3) Mr. Johnston is a beneficiary of a discretionary trust that beneficially owns, or exercises control or direction over, directly or indirectly, these Series W Units.

3.2 Fees and Expenses

Management Fee

For providing Services to the Partnership, the Manager will be entitled to receive the Management Fee. The Management Fee may vary for each Series and is treated as an expense attributed to a particular Series. The Partnership shall not revise the terms of the LP Agreement relating to the Management Fee without first obtaining the consent of the Manager. The Manager may share all or some of its fees with any other person in its sole discretion.

Performance Distribution

The Special Limited Partner will be entitled to receive Performance Distributions in respect of each Series of Units. See Item 5.1.1 - *Distributions*.

Expenses

The Partnership will reimburse the General Partner and the Manager, when and as invoiced, for all direct and indirect operating, general and administrative costs and expenses, as well as all other costs and expenses, that the General Partner, the Manager or their respective affiliates or associates incur or have incurred which are in any way related to, or in connection howsoever with, the business and operations of the Partnership or the performance by the General Partner and the Manager of their duties pursuant to the LP Agreement and the Management Agreement. This includes remuneration payable to certain personnel of the Manager. See Item 3.1 - *Compensation and Securities Held*.

See Item 2.7.1 - *LP Agreement - Reimbursement of the General Partner and the Manager* and Item 2.7.2 - *Management Agreement - Fees and Expenses*.

3.3 Management Experience

Set forth below is a description of the principal occupation and business experience of each of the directors and officers of the General Partner and the general partner of the Manager.

Full Legal Name	Principal Occupation and Description of Experience Associated with the Occupation
Stephen Johnston	In addition to the Partnership, Mr. Johnston has co-founded other alternative funds implementing strategies in farmland, private equity (with a focus in Canadian SME businesses), credit opportunities, and energy. In 1994, Mr. Johnston joined the London, England office of AT Kearney, a global consulting firm, as a strategy consultant implementing trading risk management systems, with a focus on default risk metrics of commercial real estate loan portfolios of Swedish investment banking clients. Mr. Johnston was then engaged as a banker by the European Bank for Reconstruction and Development on the Telecommunications and Media Team, providing debt and equity financing to companies based in Eastern Europe and the former Soviet Union until 1998. In 1998, Mr. Johnston became the head of the private equity team at Société Générale Asset Management – Emerging Markets UK. In this capacity, he was responsible for closed-end funds covering the

Full Legal Name	Principal Occupation and Description of Experience Associated with the Occupation
	Baltics, Central and Eastern Europe and the Middle East. In 2000, he became a principal and part owner of an early stage technology fund based in London, UK, investing in European based start-ups. Mr. Johnston earned a Bachelor of Science Degree (1987) and a Bachelor of Laws Degree (1990) from the University of Alberta and, after being admitted to the Alberta Bar in 1991, graduated with a Masters of Business Administration (1994) from the London Business School.
Barclay Laughland	In addition to the Partnership, Mr. Laughland has co-founded other farmland funds. Mr. Laughland has over 20 years of experience in the areas of corporate finance, investment fund management, mergers and acquisitions, debt/equity financings, re-structurings and business management. His experience crosses both public and private capital markets. Early in his career Mr. Laughland was a partner in the corporate finance and mergers and acquisitions group with McCarthy Tétraut LLP, where he advised public and private companies, venture capitalists and private equity funds covering a broad range of matters related to business transactions, corporate finance, reorganizations and mergers and acquisitions, including a focus on alternative transaction and investment structures. Since 2007, Mr. Laughland has been involved as senior leadership in several ventures. In addition to his farmland endeavors, he co-founded Evora Equity Inc., a healthcare-focused firm. From 2009-2016, he was vice-president, corporate affairs for a publicly-traded investment company. Mr. Laughland received a B.Comm (1991) and J.D. (1994), both from the University of Saskatchewan.
Matthew Barr	Mr. Barr has over 20 years of experience in the areas of Six Sigma, lean methodologies and continuous improvement. Mr. Barr is a Partner of the Manager, as well as a Partner and the Managing Director, Operations of Equicapita, an SME private equity fund. Mr. Barr's fundamental approach towards leadership and culture creation has allowed him to build strong and sustainable teams, brands, and businesses across many organizations and industries including automotive, heavy machinery industrials, and oil and gas. Mr. Barr earned a Masters of Business from Kettering University, a Bachelor of Operations from University of Western Sydney and a Lean Six Sigma Certification from Villanova University.
Kerri Furlong	Kerri Furlong has over 13 years experience working with a variety of businesses and business owners in various finance capacities. In addition to her role at Veripath, Kerri is a Partner of a private equity fund and provides strategic management of the finance function as well as manages relationships with investors and investment institutions. Kerri spent 8 years at BDO Canada where her focus was both public and private entities across various industries including manufacturing, fabrication, distribution, energy, communications and technology. Kerri holds a Chartered Professional Accountant designation (Chartered Accountant 2010) and holds a Bachelor of Business Administration (Honours) and a Bachelor of Science from Memorial University of Newfoundland.
Carmon Blacklock	Mr. Blacklock has over 25 years of experience in the agriculture industry, including owning and operating his own farming operation in Alberta. In addition, he has over 15 years experience in investment and finance industry working with various mutual fund and private equity companies. Most recently, Mr. Blacklock was a senior project manager on Bayer Crop Science's national crop protection program. Mr. Blacklock earned a Bachelor of Arts in International Economics from Ryerson University and a Masters of Science in Quantitative Finance from the University of Westminster.

3.4 Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

During the last 10 years preceding the date hereof, with regard to (i) any director, executive officer or control person of the Partnership, the Manager or the General Partner; or (ii) any other issuer with which any director, executive officer or control person of the Partnership, the Manager or the General Partner was a director, executive officer or control person at that time, there has been: (a) no penalty or other sanction imposed by a court relating to a contravention of securities legislation; (b) no penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation; and (c) no order restricting trading in securities, not including an order that was in effect for less than 30 days; (d) no declaration of bankruptcy; (e) no voluntary assignment in bankruptcy; (f) no proposal under bankruptcy or insolvency legislation; and (g) no proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets.

With respect to any director, executive officer or control person of the Partnership, the Manager or the General Partner, no one has ever pled guilty to or been found guilty of: (i) summary conviction of indictable offence under the *Criminal Code* (Canada); (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction; (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America; or (iv) an offence under the criminal legislation of any other foreign jurisdictions.

3.5 Certain Loans

None of the directors or executive officers of the General Partner, the Manager, or any of the promoters or principal securityholders of the Partnership are indebted to, or owed any amounts from, the Partnership.

ITEM 4 - CAPITAL STRUCTURE

4.1 Securities Except for Debt

Description of Security ⁽¹⁾	Number Authorized to be issued	Price per Security	Number Outstanding as at April 30, 2023	Maximum Number outstanding after \$50,000,000 Offering ⁽²⁾
Series A Units	Unlimited	See Note 3	265,570.9467	265,570.9467
Series A1 Units	Unlimited	See Note 3	Nil	38,844,002.4860 ⁽⁴⁾
Series A2 Units ⁽⁵⁾	Unlimited	See Note 3	7,084,000	7,084,000
Series A3 Units	Unlimited	See Note 3	Nil	Nil
Series A4 Units	Unlimited	See Note 3	Nil	Nil
Series P Units	Unlimited	See Note 3	1,056,118.2569	1,056,118.2569
Series W Units	Unlimited	See Note 3	55,336,221.0427	55,336,221.0427
Series W2 Units	Unlimited	See Note 3	3,693,663.4051	3,693,663.4051
Series W3 Units	Unlimited	See Note 3	Nil	Nil
Series M Units	Unlimited	See Note 3	997,471.6648	997,471.6648

Notes:

- (1) Other investors may hold Series of Units other than the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units. Such Units have different rights and obligations from the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units, including with respect to the Management Fee, Applicable Performance Distribution Percentage, Hurdle, and redemption rights.
- (2) There is no minimum or maximum amount to be raised pursuant to this Offering, this number assumes an Offering of \$50,000,000.
- (3) The issuance price per Unit is determined by the Manager from time to time with reference to the Net Asset Value of the applicable Series.
- (4) The amount assumes that all of the Offered Units issued under the Offering are Series A1 Units issued at the price per Offered Unit as at the date hereof of \$1.2872 per Series A1 Unit.
- (5) The Series A2 Units outstanding as of April 30, 2023 were issued solely in connection with the acquisition of certain assets from Agcapita Farmland VI L.P. See Item 2.8 - *Related Party Transactions*. These Units have different rights and obligations than the Series A2 Units offered under this Offering Memorandum. The Series A2 Units offered under this Offering Memorandum will be created subsequent to July 1, 2023.

4.2 Indebtedness

As of the date hereof, the Partnership has the following indebtedness outstanding:

Description of Indebtedness	Interest Rate ⁽¹⁾	Repayment Terms	Amount Outstanding as of April 30, 2023
Credit Facilities (secured)	Lender's prime rate plus 0.25%, or Bankers' acceptance rate plus 1.50%	Repayable on Demand ⁽²⁾	\$25,550,000

Notes:

- (1) Interest, fees and other amounts payable under the treasury risk management facility are set out in the applicable documentation between the Partnership and the lender from time to time.
- (2) Advances made under the revolving credit facility are payable on demand and advances made under the treasury risk management facility are payable upon the earlier of demand or contract maturity, as provided for in the applicable documentation between the Partnership and the lender from time to time.

The Credit Facilities were originally established in favour of the Partnership on March 20, 2019 consisting of: (a) a revolving credit facility of up to \$15,000,000 to be utilized for general working capital and corporate requirements of the Partnership including without limitation, financing land and capital expenditures approved by the lender in its sole discretion and ordinary course redemptions; and (b) a treasury risk management facility of up to \$1,500,000 to facilitate hedging of interest rates and foreign exchange risk. On November 10, 2020, the

Partnership entered into a first amending agreement pursuant to which the Partnership increased the revolving credit facility to \$30,000,000, and may, by request and with the consent of the lender, further increase the revolving credit facility up to an amount equal to \$45,000,000.

The Credit Facilities are available by way of prime-based loans and bankers' acceptances and any amounts outstanding by way of loans and bankers acceptances reduces the amount available under the Credit Facilities. The Credit Facilities are secured by all of the assets of the Partnership (with the exception of certain leaseholds, leases, agreements, licenses and permits permitted by the lender) and guaranteed by the General Partner and all existing and future subsidiaries of the Partnership as determined by the lender.

As at April 30, 2023, \$25,500,000 is outstanding under the revolving credit facilities as advances by way of bankers' acceptances. No amounts are outstanding under the treasury risk management facility.

The letter agreement pursuant to which the Credit Facilities are provided includes customary positive and negative covenants, including limitations on changes to the nature of the business of the Partnership and the General Partner, limitations on liens, dispositions, amalgamations, hedging, liquidations, dissolutions, accumulation of excess cash and the giving of financial assistance. In particular, the Partnership must maintain a financial ratio such that its senior funded debt does not exceed 50% of the appraised fair market value of the Partnership's farmland at all times during the term of the letter agreement. A failure to comply with any of the covenants could result in an event of default which, if not cured or waived, would permit the lender to cancel all credit availability and demand repayment of the Credit Facilities in full. See Item 9.2 - *Risks Associated with the Entities - Financing Risks*.

The General Partner has complete discretion in determining the timing, terms and conditions of any Additional Financing and the General Partner is authorized to borrow funds and may grant security for such borrowing in the form of a mortgage. Item 2.7.1 - *LP Agreement - Terms of Additional Financing*.

4.3 Prior Sales

As of the date of this Offering Memorandum, no Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units or Series W3 Units have been issued by the Partnership within the past 12 months.

ITEM 5 - SECURITIES OFFERED

The Offered Units are comprised of Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units.

The Partnership is offering the Offered Units for issue and sale under the Offering. Investors under the Offering will purchase Offered Units upon the Partnership's acceptance of the Subscriber's subscription agreement and related documents and payment of the applicable subscription amounts for Offered Units, as the case may be. See Item 5.2 - *Subscription Procedure*.

Concurrent with or subsequent to this Offering, the Partnership may also offer additional securities, which may not have the same terms as the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units and Series W3 Units of the Partnership, including with respect to the Management Fee, Applicable Performance Distribution Percentage, Hurdle, and redemption rights.

The Partnership currently also offers Series W Units, Series W2 Units and Series M Units, which have different rights and obligations from the Offered Units, including with respect to distributions, redemptions and commissions payable.

5.1 Terms of Securities

Each Unit issued by the Partnership will represent a contribution to the capital of the Partnership in the amount of the subscription price paid for such Unit. The Partnership is authorized to issue an unlimited number of Series, and unless otherwise provided for in the Series Creation Instrument with respect to a particular Series, the Partnership is authorized to issue an unlimited number of Units of each Series.

The material terms of the Offered Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to each Unit are contained in the LP Agreement. See also Item 2.7.1 - *LP Agreement*.

Prospective investors are advised that any description of the Offered Units in this Offering Memorandum is a summary only of the material terms of those Offered Units and remains subject to the LP Agreement. Prospective investors are advised to review the LP Agreement and the Unit provisions in detail with their own legal, tax and investment advisors.

5.1.1 Distributions

Distributions are not assured or guaranteed. The Partnership does not anticipate paying any distributions on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units or the Series W3 Units for the foreseeable future. The declaration of a distribution (if any) and the amount of such distribution will be at the sole discretion of the General Partner and will also take into consideration the Partnership's results of operations, financial condition, cash requirements, applicable law and other factors that the General Partner may consider relevant. Any distributions will be made in accordance with the LP Agreement. The General Partner may fund distributions from cash flow from the business and operations of the Partnership, debt, or capital contributions. In such circumstances, distributions to Unitholders may consist, directly or indirectly, of the proceeds from the sale of securities by the Partnership (including this Offering).

Distributions, including without restriction returns of capital, in such amount as may be determined by the General Partner, may be declared payable by the General Partner in respect of one or more Series on such day or days and to Limited Partners of record as at the close of business on such day or days as the General Partner from time to time determine (the "**Distribution Amount**"). For greater certainty, a distribution may be made with respect to one or more Series and not with respect to one or more other Series provided that no distribution may be made with respect to a Series if the Net Asset Value of such Series after such distribution would be reduced to below zero.

The Distribution Amount shall be distributed as follows:

- (a) 0.001% of the Distribution Amount shall be allocated to the General Partner in respect of the General Partner's Share.
- (b) The portion of the remaining Distribution Amount allocable to each Series shall be an amount (the "**Series Distribution Amount**") calculated by multiplying the remaining Distribution Amount by a quotient, the numerator of which shall be the Net Asset Value of a particular Series and the denominator of which shall be the aggregate Net Asset Value of all Series as at the record date for the distribution.
- (c) Each Limited Partner of a Series shall be entitled to a portion of the Series Distribution Amount equal to the product of:
 - (i) the Proportionate Interest of such Limited Partner as at the record date for the distribution; and
 - (ii) the Series Distribution Amount of such Series.

The General Partner may, in its sole discretion, pay a distribution declared payable under this section either with cash or by distributing Partnership Property (other than cash) to the holders of Units.

In addition to any distributions declared pursuant to the above, in respect of each of the Offered Units, the Special Limited Partner shall be entitled to a distribution (the "**Performance Distribution**") as follows:

In respect of the Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units, the Special Limited Partner shall be entitled to a Performance Distribution on each Applicable Date equal to (a) the lesser of (X) and (Y), multiplied by (b) the average number of Units of such Series which are outstanding on the last day of each month during the period in respect of which the Performance Distribution is being calculated, where:

(X) = an amount equal to the Applicable Performance Distribution Percentage, being 20% for the Series A1 Units, 19% for the Series A2 Units, 18% for the Series A3 Units and 17% for the Series A4 Units, multiplied by an amount equal to the positive difference, if any, between the Net Asset Value per Unit of the applicable Series on the Applicable Date (prior to the deduction of any Performance Distribution accrual and adjusted as necessary to reflect any distributions made by the Partnership) and the amount determined pursuant to paragraph (A) of the definition of Adjusted Highwater Mark for the applicable Series; and

(Y) = an amount equal to the positive difference, if any, between the Net Asset Value per Unit of the applicable Series on the Applicable Date (prior to the deduction of any Performance Distribution accrual and adjusted as necessary to reflect any distributions made by the Partnership) and the Adjusted Highwater Mark for the applicable Series.

In respect of the Series W3 Units, the Special Limited Partner shall be entitled to a Performance Distribution on each Applicable Date equal to (a) the Applicable Performance Distribution Percentage of the Series, being 12%, multiplied by (b) the positive difference, if any, between the Net Asset Value per Unit of the Series on the Applicable Date (prior to the deduction of any Performance Distribution accrual and adjusted as necessary to reflect any distributions made by the Partnership) and the Adjusted Highwater Mark for the Series multiplied by (c) the average number of Series W3 Units which are outstanding on the last day of each month during the period in respect of which the Performance Distribution is being calculated.

The Special Limited Partner may elect to defer or not to receive part or all of any Performance Distribution and instead, at its sole discretion, may elect to have such amount distributed to all applicable Limited Partners of the applicable Series proportionately. For greater certainty, the Special Limited Partner, in its discretion, may subsequently elect to receive, and the General Partner will distribute to the Special Limited Partner, out of the Partnership Property, any amounts that the Special Limited Partner elected to defer or not to receive.

Unless otherwise agreed by the Special Limited Partner, Performance Distributions shall be paid in cash.

The Special Limited Partner may, in its sole discretion, agree with a Limited Partner to waive the entitlement of the Special Limited Partner to all or a portion of the Performance Distribution attributable to some or all of the Units of a Series held by such Limited Partner. All amounts of Performance Distribution so waived will be deemed to be allocated for purposes of the Income Tax Act to the applicable Limited Partner.

At all times, the Special Limited Partner may pay or direct the General Partner to pay all or a portion of any Performance Distribution it is entitled to receive to third parties, including registered dealers whose clients hold Units of the Partnership. Any such arrangements will be made in accordance with applicable law. Such payments may be modified or discontinued by the Special Limited Partner at any time.

5.1.2 Voting Rights

Each Unit shall entitle the holder to vote at all meetings of Limited Partners in respect of which the holder is entitled to vote in accordance with the terms of the LP Agreement. In such circumstances, each Unit shall entitle the holder thereof to one vote. Each Limited Partner holding Units of a Series that is an Affected Series in relation to a matter shall be entitled to a notice of meeting in respect of a Series Meeting of that Series to consider the matter.

Except as otherwise specified in the LP Agreement, all questions put forth for vote at a meeting of Limited Partners shall be decided by an Ordinary Resolution. Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded by the chairman or by any Limited Partner present in person or by proxy at the meeting, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote, each Limited Partner present, either in person or by proxy, and entitled to vote, shall be entitled to one vote in respect of each Unit of the applicable Series. A poll vote may be demanded either before or after a vote by show of hands.

5.1.3 Redemption and Retraction of Units

Right of Redemption

A Limited Partner may redeem Offered Units in accordance with the terms of the LP Agreement, a summary of which is set out below.

Exercise of Redemption Right

Units may be redeemed as at the last day of each calendar quarter (each, a "**Redemption Date**"). Redemption orders may be made by delivering to the General Partner a duly completed notice in such form as has been approved by the General Partner from time to time. Redemption orders for Offered Units must be received before 4:00 p.m. (Calgary time) 45 days prior to the last day of any calendar quarter in order to be redeemed as at the Redemption Date for such calendar quarter. If a Unit is registered in the name of an intermediary, such as a registered dealer, clearing agency or its nominee, then the redemption order for such Unit must be made through such intermediary.

The General Partner, in its discretion, may provide that a redemption fee, short-term trading fee or other fee or fees are payable with respect to Units. The General Partner shall, at all times, retain the discretion to: (i) waive any such fee for any Limited Partner; (ii) waive or alter any such redemption gate for all Limited Partners that have submitted redemption requests with respect to any Valuation Date; and (iii) waive, in whole or in part, any discount on the Net Asset Value per Unit applicable to Units submitted for redemption with respect to any Valuation Date.

Redemption Price

Subject to the limitations in the following paragraphs, upon receipt by the General Partner of the notice to redeem a Unit, the applicable Limited Partner is entitled to receive the Redemption Price for such Unit which shall be an amount equal to the Net Asset Value per Unit determined at the Redemption Date, multiplied by the applicable percentage set out in the table below.

Period of time between the issuance date of the Unit being redeemed and the Redemption Date	Series A1 Units	Series A2 Units	Series A3 Units	Series A4 Units	Series W3 Units
< 1 year	94%	94%	94%	94%	94%
1 year to < 2 years	100%	95%	95%	95%	95%
2 years to < 3 years	100%	100%	96%	96%	96%
3 years to < 4 years	100%	100%	100%	97%	100%
4 years and greater	100%	100%	100%	100%	100%

The General Partner may, in its sole discretion, waive the application of the percentage set out above.

Pursuant to the foregoing table, a Limited Partner will receive a lower Redemption Price if such Limited Partner redeems its Offered Units within a certain period of time from the date of investment (depending on the series of Unit held by the Limited Partner). This is intended to protect the Partnership and existing Limited Partners from a reduction in the value of the Partnership due to the payment of offering costs.

Sample Calculation

As an example, 1000 Series A1 Units purchased on April 30, 2023 and redeeming on March 31, 2024 with a Net Asset Value per Unit of the Series A1 Units equal to \$1 would result in a Redemption Price of \$940.

$$\text{Redemption Price} = 1000 \times \$1 \times 94\% = \$940$$

Cash Redemption

Redemption payments for redeemed Offered Units will be made within 45 days of the Redemption Date (unless postponed in accordance with the LPA). Payment for Units which are redeemed may be made by the Partnership by cheque or by electronic transfer of funds to the Limited Partner's bank account. Payments made by the Partnership of the Redemption Price by cheque are conclusively deemed to have been made upon the mailing of a cheque in a postage pre-paid envelope addressed to the former Unitholder at its last address appearing on the Register unless such cheque is dishonoured upon presentation. Upon such payment, the Partnership shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed except with respect to any outstanding payments in respect of such Units pertaining to distributions payable thereon to such former Unitholder(s) of record on a date which was prior to the date upon which such Units were tendered to the Partnership for redemption.

No Cash Redemption in Certain Circumstances

The foregoing does not apply to Units of a particular Series tendered for redemption by a Limited Partner, where the number of Units of such Series validly tendered for redemption on a Redemption Date by such Limited Partner that is within the Early Redemption Period of such Units exceeds 3% of the total number of Units of such series held by such Limited Partner which Early Redemption Period has not expired on the Redemption Date (the "Quarterly Limit"), provided that the General Partner or the Manager may, in their sole discretion, waive or increase such limitation in respect of Units of a particular Series tendered for redemption in any calendar quarter by any Limited Partner. For greater certainty, the General Partner or the Manager may waive or increase the Quarterly Limit for one or more Limited Partners (or a particular Series held by such Limited Partner) and not with respect to one or more other Limited Partners (or a particular series held by other Limited Partners);

In the event that the Quarterly Limit is exceeded in a calendar quarter, then the aggregate Redemption Price to which the redeeming Limited Partner would otherwise be entitled will be paid and satisfied by a combination of cash up to the Quarterly Limit, and an issuance of Redemption Notes in respect of the remaining amount, subject to any applicable regulatory approvals.

Redemption of Units by the Partnership

The Partnership may at any time and for any reason upon not less than five days' prior written notice to a Limited Partner redeem any or all of such Limited Partner's Units. Such redemption by the Partnership shall be treated as if such Limited Partner redeemed such Units pursuant to the LP Agreement.

The Redemption Price payable to a Unitholder for any Unit redeemed by the Partnership will be an amount equal to the Net Asset Value per Unit on the Redemption Date.

Notwithstanding the foregoing, in the event that a redemption of outstanding Units is initiated by the Partnership in circumstances where the General Partner determines, in its reasonable discretion, that continued undiminished membership of the Limited Partner in the Partnership would: (a) constitute or give rise to a violation of applicable law, including the Ownership Restrictions; or (b) otherwise subject the Partnership or the other Limited Partners to material onerous legal, tax or other regulatory requirements or consequences that cannot reasonably be avoided, then:

- (a) the discount percentage to the Redemption Price set out above of such redeemed Units shall continue to apply; and
- (b) the Partnership may complete such redemption: (i) notwithstanding any suspension of redemptions; and/or (ii) without regard to the requirement that any postponement of payment of the Redemption Price or payment of the Redemption Price through the issuance of Redemption Notes be applied on a *pro rata* basis.

Notwithstanding the foregoing, if a Limited Partner becomes a Defaulting Limited Partner, the General Partner, on behalf of the Partnership, shall have the right, without further notice, demand, formality or act whatsoever, to immediately proceed to redeem the Defaulted Units at a price per Unit equal to 75% of the aggregate Net Asset Value per Unit of the Defaulted Units held by the Defaulting Limited Partner. See Item 2.7.1 - LP Agreement - Limitation on Non-Resident Ownership.

Suspension of Redemptions

The General Partner may, from time to time, in its absolute discretion and for any reason so long as it is acting reasonably, (i) suspend the redemption of Units, (ii) postpone the date of payment of redeemed Units and/or (iii) pay all or part of the Redemption Price of Units which are redeemed through the issuance of Redemption Notes with such notes having an aggregate fair market value equal to the portion of the Redemption Price being satisfied by such Redemption Notes, provided that any postponement of payment or payment through the issuance of Redemption Notes shall be applied on a *pro rata* basis to all Units submitted for redemption with respect to any Valuation Date, subject to any applicable regulatory approvals. In the event of a suspension of redemption, the General Partner will give notice to Limited Partners of such suspension. During the suspension period, requests for redemptions of Units may be withdrawn. To the extent that a request for redemption is not withdrawn, such request for redemption will be acted upon on the first applicable Valuation Date following the commencement of redemptions. Where possible, all reasonable efforts will be made to bring any period of suspension to an end as soon as possible.

See Item 9.1 - Risks Associated with the Offered Units - Limited Redemption Rights of Offered Units.

5.1.4 Transfer of Units

No Limited Partner shall sell, transfer, assign or otherwise dispose of its interest in the Partnership in whole or in part except with the consent of the General Partner and in compliance with applicable laws and the LP Agreement. Any attempted Transfer or Transmission of Units made without compliance with, or in violation of, the LP Agreement will be null and void, and the General Partner will not approve any such Transfer or Transmission of Units and will not register, or permit the registration of, any such transfer.

No Transfer or Transmission of Units will be effected or recognized by the General Partner unless the following terms and conditions are met:

- (a) in the case of a Transfer of Units, the transferor has delivered to the transferee the unit certificate issued to the transferor in respect of the Units being transferred (duly endorsed for transfer), and the transferor and the transferee have executed and delivered to the General Partner a form of transfer and power of attorney in such form as is authorized by the General Partner;
- (b) in the case of a Transmission of Units, the transferee has delivered to the General Partner evidence satisfactory to the General Partner that such transferee has a valid entitlement to the Units of the transferor and a form of transfer and power of attorney approved by the General Partner specifically for this purpose;
- (c) the transferee certifies to the General Partner that it has the status and capacity and has satisfied the criteria set forth in the LP Agreement;
- (d) any outstanding liabilities of the transferor to the Partnership shall have been paid, or arrangements made satisfactory to the General Partner for the assumption of such liabilities by the transferee; and
- (e) the transferee shall reimburse the Partnership the legal fees and disbursements charged by the solicitors for the Partnership for the filing of the amendment to the certificate of limited partnership required pursuant to the Partnership Act.

The General Partner may, in its sole discretion, refuse to effect a Transfer or to recognize a Transmission if it determines that, among other things, giving effect to such Transfer or Transmission may adversely affect the Partnership. The General Partner may, in its discretion, waive by notice in writing any or all of the aforementioned terms and conditions, in whole or in part.

Upon the registration by the Partnership of the amendment to the certificate of limited partnership required pursuant to the Partnership Act, the transferee, unless it is already a Limited Partner, shall be admitted to the Partnership as a Limited Partner and shall be bound by and entitled to all benefits and burdens of the LP Agreement, and the rights, privileges, restrictions and conditions attaching to the Units so Transferred or Transmitted, and the transferor, except to the extent that it continues to hold other Units, shall be released from all future benefits and burdens of the LP Agreement and the rights, privileges, restrictions and conditions attaching to the Units Transferred or Transmitted, except as expressly provided by the LP Agreement to the contrary, and the transferor, unless it continues to hold other Units, shall thereupon cease to be a Limited Partner.

5.1.5 Rights on Dissolution or Termination

In the event of the liquidation, dissolution or winding up of the Partnership or other distribution of assets of the Partnership among its Unitholders for the purpose of winding up its affairs, each Offered Unit shall entitle the holder to receive, and have allocated to them, a share in the Partnership Property available for distribution in accordance with the LP Agreement, a summary of which is set forth above in Item 2.7.1 - *LP Agreement - Distributions on Dissolution or Termination*.

Reference should be made to the LP Agreement and applicable Series Creation Instrument for a complete description of all the terms of the Offered Units.

5.1.6 Rights of Limited Partners

Limited Partners are NOT shareholders and do not enjoy all of the protections, rights and remedies generally offered to shareholders of a corporation incorporated under the ABCA. Although the LP Agreement confers upon a Limited Partner some of the same protections, rights and remedies as a voting shareholder of a corporation governed by the ABCA, significant differences do exist.

Limited Partners do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its assets, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the corporation can carry on, or (b) the issue, transfer or ownership of shares. As an alternative, Limited Partners seeking to terminate their investment in the Partnership are entitled to redeem their Units, subject to certain conditions and limitations, as described under Item 5.1.3 - *Redemption and Retraction of Units*.

Limited Partners do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive or unfairly prejudicial to shareholders. Shareholders of an ABCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Limited Partners cannot.

Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring derivative actions in the name of the corporation or defend, in the name and on behalf of the corporation, a proceeding brought against the corporation, in each case with leave of a court. The LP Agreement does not include a comparable right of Limited Partners to commence or participate in legal proceedings with respect to the Partnership.

5.2 Subscription Procedure

Subscribing for Offered Units

An investor who wishes to subscribe for Offered Units must:

- (a) complete and execute the subscription form (in such form as the General Partner may approve from time to time), including all applicable schedules thereto;
- (b) pay the aggregate subscription price (and commission amount, including administration fee, if any) set out in the subscription form by certified cheque or bank draft dated the date of the subscription made payable to "Veripath Farmland LP" (or as the General Partner otherwise directs); and
- (c) complete and execute any other documents deemed necessary by the General Partner to comply with applicable securities laws and any other applicable law, including the applicable Ownership Restrictions;

and deliver the foregoing to the Partnership at WestMount Corporate Campus, Suite 300, 4954 Richard Road S.W., Calgary, Alberta T3E 6L1 or such other location which the General Partner may specify.

The minimum investment in the Partnership for Series A1 Units, Series A2 Units, Series A3 Units and Series A4 Units is \$1,000. The minimum investment in the Partnership for Series W3 Units is \$1,000,000. These minimum amounts may be waived by the General Partner, in its sole discretion.

Subject to the rights of rescission described in Item 12 - *Purchasers' Rights*, a subscription for Offered Units, as evidenced by a fully completed and signed subscription agreement delivered to and accepted by the Partnership, is irrevocable. No prospective Subscriber has any right to withdraw his or her subscription for Offered Units unless the Partnership terminates the Offering or does not accept the subscription. Where Offered Units are being subscribed for in reliance on the offering memorandum exemption contained in Section 2.9 of NI 45-106, cheques will be held until at least midnight on the second Business Day after the Subscriber signs the subscription agreement. Thereafter the funds will be deposited and held in escrow by the Partnership pending Closing of the sale of Offered Units to the Subscribers. Closings will occur at such times and on such dates as may be determined by the General Partner from time to time. Interest will not be payable on a Subscriber's subscription funds held in escrow pending Closing and interest earned, if any, will be paid to and retained by the Partnership. At any Closing of the Offering, proceeds from subscriptions for Offered Units will be available to the Partnership for its use, as described in this Offering Memorandum.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Partnership reserves the right to close the subscription books at any time and without notice. The General Partner has the right, in its sole and absolute discretion, to reject any subscription for Offered Units, in whole or in part, for any reason. If subscriptions are not received and accepted and certain other conditions have not been satisfied or waived on or before the date selected by the General Partner (in its sole discretion), subscriptions and subscription funds will be returned to Subscribers without interest or deduction.

Upon acceptance by the General Partner on behalf of the Partnership of a Subscriber's subscription for Offered Units and receipt of the subscription price therefore and satisfaction of Closing conditions, the Subscriber shall become a Unitholder. Following Closing, each Subscriber who becomes a Unitholder will be entered in the records and/or Register of the Partnership as a Unitholder in respect of those Offered Units subscribed for and accepted by the Partnership. The General Partner will hold the Subscriber's Offered Units in their book-based system which means that no physical certificate will be produced but the Subscriber's Offered Units will be recorded in the Register. With Offered Units being held in the book-based system there is no risk of losing Unit certificates which can be costly to replace. **Based on the foregoing, Unit certificates representing the Subscriber's Offered Units will not be issued and sent to such Subscriber.**

None of the Partnership, the General Partner, the Manager or their respective directors and officers, are responsible for, and undertake no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Offered Units having regard to any such investment needs and objectives of the potential investor.

Representation of Qualification to Purchase

By executing a subscription agreement for Offered Units, each Subscriber will make the representation that the Subscriber meets the conditions of the applicable prospectus exemption in purchasing Offered Units pursuant to this Offering and is thus entitled under such prospectus exemption to purchase such securities without the benefit of a prospectus qualified under applicable securities laws. In addition, each Subscriber will make the representation that it is compliant with the Ownership Restrictions and provide any document or instrument as may be requested by the General Partner for the purposes of determining or maintaining compliance with the Ownership Restrictions. Under no circumstances will the General Partner accept a subscription for Offered Units if its distribution cannot be made in reliance on a prospectus exemption or if the Subscriber is not compliant with any Ownership Restrictions. Persons resident in the province of Québec

are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. In the province of Québec, the Offering is being conducted pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 of NI 45-106 and to those persons Offered Units may otherwise be sold in accordance with applicable securities laws. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. There shall be no sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Acceptance of Subscription Form

The acceptance by the General Partner on behalf of the Partnership of a Subscriber's subscription for Offered Units, whether in whole or in part, constitutes an agreement between the Subscriber and the Partnership upon the terms and conditions set out in such subscription agreement whereby the Subscriber, among other things: (i) acknowledges that he or she, upon purchase of Offered Units, is bound by the terms of the LP Agreement; (ii) makes various representations and warranties as more particularly set forth in the subscription agreement; and (iii) irrevocably nominates, constitutes and appoints the General Partner as his or her true and lawful attorney with the full power and authority as set out in the subscription agreement and the LP Agreement.

ITEM 6 - REDEMPTION REQUESTS

The following table sets out information about the redemption rights exercised by Limited Partners for the two most recently completed financial years of the Partnership:

Description of Security	Date of End of Financial year	Number of Securities with Outstanding Redemption Requests on the First Day of the Year ⁽¹⁾	Number of Securities for which Investors made Redemption Requests during the Year	Number of Securities Redeemed during the Year ⁽²⁾	Average Price Paid for the Redeemed Securities ⁽³⁾	Source of Funds used to Complete the Redemptions	Number of Securities with Outstanding Redemption Requests on the Last Day of the Year
Series P Units	December 31, 2022	N/A	133,052.5939	133,052.5939	\$1.15	Issuance of Units	N/A
Series W2 Units	December 31, 2022	N/A	124,194.1619	124,194.1619	\$1.23	Issuance of Units	N/A
Series W Units	December 31, 2022	N/A	382,984.0319	382,984.0319	\$1.27	Issuance of Units	N/A
Series W2 Units	December 31, 2021	N/A	11,617.1003	11,617.1003	\$1.16	Issuance of Units	N/A
Series W Units	December 31, 2021	N/A	319,875.5079	319,875.5079	\$1.17	Issuance of Units	N/A

Notes:

- (1) No redemption requests validly made for a Redemption Date in a particular year were unfulfilled in such year.
- (2) A Unit is considered redeemed as of such Unit's redemption date, however payment to a redeeming Limited Partner may not occur in the same financial year as such Units were redeemed. For example, payment for redeemed Series P Units is made within 180 days of the redemption date. Limited Partners that make a redemption request for Series P Units with a redemption date of December 31, 2022 may not be paid until 180 days following the redemption date. Payment for all Units represented in this column was made in cash within the required period for such Units.
- (3) Average price is calculated based on the aggregate redemption price received by investors after reductions for any redemption fees or charges.

The following table sets out information about the redemption rights exercised by Limited Partners for the period after the end of the Partnership's most recently completed financial year and up to April 30, 2023:

Description of Security	Beginning and End Dates of the Period	Number of Securities with Outstanding Redemption Requests on the First Day of the Period ⁽¹⁾	Number of Securities for Which Investors Made Redemption Requests During the Period	Number of Securities Redeemed During the Period ⁽²⁾	Average Price Paid for the Securities Redeemed ⁽³⁾	Source of Funds used to Complete the Redemptions	Number of Securities with Outstanding Redemption Requests on the Last Day of the Period
Series W Units	January 1, 2023 April 30, 2023	N/A	187,500.00	187,500.00	\$1.32	Issuance of Units	N/A
Series W2 Units	January 1, 2023 April 30, 2023	N/A	41,322.9392	41,322.9392	\$1.31	Issuance of Units	N/A

Notes:

- (1) No redemption requests validly made for a Redemption Date in a particular period were unfulfilled in such period.
- (2) A Unit is considered redeemed as of such Unit's redemption date, however payment to a redeeming Limited Partner may not occur in the same period as such Units were redeemed. For example, payment for redeemed Series W Units is made within 120 days of the redemption date. Limited Partners that make a redemption request for Series W Units with a redemption date of March 31, 2023 may not be paid until 120 days following the redemption date. Payment for all Units represented in this column was made in cash within the required period for such Units.
- (3) Average price is calculated based on the aggregate redemption price received by investors after reductions for any redemption fees or charges.

ITEM 7 - CERTAIN INCOME TAX CONSEQUENCES

General

The following summary has been prepared by Counsel and describes the principal Canadian federal income tax considerations pursuant to the Income Tax Act generally applicable to an individual (other than a trust) who acquires Offered Units pursuant to this Offering Memorandum and who, for purposes of the Income Tax Act, is resident in Canada, holds the Offered Units as capital property and deals at arm's length, and is not affiliated with, the Partnership. Generally, the Offered Units will be considered to be capital property of a Unitholder provided the Unitholder does not hold the Offered Units in the course of carrying on a business of trading or dealing in securities and has not acquired the Offered Units in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a person: (i) an interest in which would be a "tax shelter investment" as defined in section 143.2 of the Income Tax Act; (ii) that is a "financial institution" as defined in section 142.2 of the Income Tax Act; (iii) that has elected to determine its Canadian tax results in a "functional currency" other than the Canadian dollar; or (iv) that has entered or will enter into a "derivative forward agreement" with respect to the Offered Units, all within the meaning of the Income Tax Act. This summary assumes that Offered Units will not be acquired with financing for which recourse is, or is deemed to be, limited for purpose of the Income Tax Act. Financing is generally deemed to be limited recourse for purposes of the Income Tax Act unless: (i) bona fide arrangements were made in writing at the time the financing was obtained providing for repayment within a reasonable period, not exceeding 10 years; (ii) interest is payable at least annually at a rate that is not less than the rate prescribed by the Income Tax Act; and (iii) interest is paid no later than 60 days after the end of each taxation year. If a Limited Partner finances an acquisition of Offered Units with limited recourse financing there may be adverse tax consequences to the Limited Partners and to the Partnership.

This summary is based upon information set out in this Offering Memorandum, the provisions of the Income Tax Act in force as of the date hereof, all specific proposals to amend the Income Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative and assessing policies of the CRA that have been made publicly available as of the date hereof. There can be no assurance that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular prospective purchaser of Offered Units or Unitholders. Consequently, prospective purchasers and Unitholders are urged to seek independent tax advice in respect of the consequences to them of an investment in the Offered Units having regard to their particular circumstances. You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you.

Computation of Partnership Income

The Partnership is not itself liable for income tax, however, the income or loss of the Partnership will be computed for each Fiscal Period as if the Partnership were a separate person resident in Canada. The Fiscal Period of the Partnership ends on December 31.

In computing its income or loss for income tax purposes, the Partnership will be entitled to deduct its expenses in its fiscal period in which they are incurred provided that such expenses are reasonable and their deduction is permitted by the Income Tax Act. The Partnership may deduct from its income for the year up to 20% of its total issue expenses incurred as a result of the Offering, prorated for short taxation years, to the extent that the issue expenses were not otherwise deductible in a preceding year.

Computation of Income or Loss of a Limited Partner

The income or loss of the Partnership for each Fiscal Period will be allocated among the Partners at the end of the Partnership's Fiscal Period, in accordance with the provisions of the LP Agreement, and is required to be included in computing the income of the Partners, whether or not distributions are paid by the Partnership to the Partners in that Fiscal Period.

In general, a Limited Partner's share of any income or loss of the Partnership from a particular source will retain its character and any provisions of the Income Tax Act applicable to that type of income will also apply to each Limited Partner.

Each Limited Partner will be entitled to deduct in the computation of income (or loss) for tax purposes the Limited Partner's share of any losses allocated by the Partnership for the fiscal period of the Partnership ending in the taxation year of the Limited Partner to the extent that the Limited Partner's investment is "at risk" within the meaning of the Income Tax Act. To the extent that the loss is not deductible in the year and is not subject to the "at risk" rules discussed below, it will be available for a twenty year carry forward and three year carry back as a deduction in computing the taxable income of a Limited Partner. Losses from the Partnership which are not deductible by a Limited Partner because they exceed the "at risk" amount at the particular time generally may be carried forward indefinitely for deduction against any source of income in a subsequent year to the extent that a Limited Partner's "at risk" amount in the Partnership is otherwise positive for that year.

In general, the amount "at risk" for an investor in a limited partnership at any time in a taxation year will be the adjusted cost base of the investor's limited partnership interest at that time (plus, where that time is the end of the limited partnership's fiscal period, income allocated to the limited partner for the fiscal period) less any amount owing by the limited partner (or a person with whom the limited partner does not deal at arm's length) to the limited partnership (or a person or partnership not dealing at arm's length with the limited partnership) and less the amount of any benefit, guarantee or indemnity provided to a limited partner to protect the limited partner against any loss of the limited partner's investment in the limited partnership.

Disposition of Offered Units

The disposition by a Limited Partner of an Offered Unit will result in the realization of a capital gain (or capital loss) by such Limited Partner to the extent the proceeds of disposition of the Offered Unit, less reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Offered Unit. In general, the adjusted cost base of a Limited Partner's Offered Unit will be equal to the cost of the Offered Unit (excluding, in certain circumstances, the portion thereof financed with limited recourse indebtedness) plus the Limited Partner's share of the income of the Partnership allocated to the Limited Partner for the fiscal periods ending before the relevant time less the aggregate of: (i) the Limited Partner's share of losses of the Partnership allocated to the Limited Partner (other than losses which cannot be deducted because they exceed the Limited Partner's "at risk" amount) for the fiscal years ending before the relevant time; and (ii) the distributions, if any, from the Partnership to the Limited Partner made before the relevant time. The adjusted cost base of each Offered Unit will be the average of the adjusted cost base of all Offered Units held by a Limited Partner.

If a Limited Partner disposes of all of the Limited Partner's Offered Units, that person will no longer be a Limited Partner of the Partnership and will be deemed to have disposed of the Offered Units either at such time or, if the Limited Partner has a residual interest in the Partnership, on the later of: (i) the end of the fiscal period of the Partnership during which the disposition has occurred; and (ii) the date of the last distribution made by the Partnership to which the Limited Partner was entitled.

A Limited Partner will be deemed to realize a capital gain if the adjusted cost base of the Limited Partner's Offered Unit is negative at the end of any fiscal period of the Partnership. If the adjusted cost base of a Limited Partner's Offered Unit becomes negative and a capital gain is realized, the adjusted cost base of the Limited Partner's Offered Unit will be deemed to be nil at the beginning of the next fiscal period of the Partnership. If the adjusted cost base of a Limited Partner's Offered Unit is positive in a subsequent taxation year, then, to the extent that the Limited Partner has realized a deemed capital gain, the Limited Partner can elect to reduce the adjusted cost base of the Offered Unit by the lesser of the adjusted cost base of the Offered Unit and the amount of the deemed capital gain. The amount elected can be carried back to offset a deemed capital gain realized when the adjusted cost base of a Offered Unit is negative.

Generally, one-half of any capital gain realized or deemed to be realized by a Limited Partner in a taxation year will be included in the Limited Partner's income for the year as a taxable capital gain. Subject to specific rules in the Income Tax Act, one-half of any capital loss realized or deemed to be realized by a Limited Partner in a taxation year is an allowable capital loss which is deducted from any taxable capital gain realized by the holder in the year of disposition. 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 net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Income Tax Act. Capital gains realized by a Limited Partner may affect a Limited Partner's liability for alternative minimum tax.

Filing Requirements

A person that is a Limited Partner at any time in a fiscal period of the Partnership is required to make an information return in the prescribed form containing specified information for that year, including the income or loss of the Partnership and the names and shares of such income or loss of all the Limited Partners. The filing of an annual information return by the General Partner on behalf of the Limited Partners will satisfy this requirement and the General Partner has agreed to make such filings. The General Partner will also provide the Limited Partners with information relevant to the allocation of the Partnership's income earned.

International Information Reporting Requirements

Under the terms of the intergovernmental agreement between Canada and the U.S. (the "**Canada-U.S. IGA**") to provide for the implementation of the Foreign Account Tax Compliance provisions of the U.S. *Hiring Incentives to Restore Employment Act of 2010* (or "**FATCA**"), and its implementing provisions under the Income Tax Act, the Partnership will be treated as complying with FATCA and not subject to the 30% withholding tax if the Partnership complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Partnership will be required to identify and report information, including certain financial information, on accounts held by purchasers that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or purchasers that are identified as, or in the case of certain entities as having one or more controlling persons who are U.S. persons owning, directly or indirectly, an interest in the Partnership, to the CRA. The CRA will in turn provide such information to the U.S. Internal Revenue Service (the "**IRS**").

The Partnership will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Income Tax Act. However, if the Partnership cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provisions under the Income Tax Act and is unable to comply with the requirements under FATCA, the Partnership may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds. The Partnership may also be subject to the penalty provisions of the Income Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the value of the Partnership's assets.

Withholdable payments include certain U.S. source income (such as interest, dividends and other passive income). Under proposed regulations, withholdable payments no longer include gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends, and FATCA withholding on "foreign passthru payments" is delayed to no earlier than two years after issuance of final regulations defining the term "foreign passthru payment". Taxpayers may rely on the provisions in the proposed regulations addressing gross proceeds and foreign passthru payment withholding until final regulations are issued.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "**CRS**"), the Partnership is required under the Income Tax Act to identify to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by Limited Partners or by the "controlling persons" of certain entities who are resident in a country other than Canada or the United States. The information would then be available for sharing with CRS participating jurisdiction in which the securityholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

Exempt Plan Eligibility

Units will not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, first home savings accounts or tax-free savings accounts. The holder, annuitant or beneficiary of such plans may, together with such plans, have adverse tax consequences if they hold a non-qualified investment, including Units.

ITEM 8 - SELLING AGENTS AND COMPENSATION PAID TO SELLERS AND FINDERS

The Partnership will retain several non-exclusive securities dealers to effect sales of Offered Units. Where allowed by applicable securities legislation, dealers who distribute Offered Units may be paid fees. Any fees (including any sales commissions and administration fees) on the Offered Units are paid by the Subscriber to the dealer and are in addition to, and do not form part of, the purchase price of the Offered Units. Sales commissions and other fees may be negotiated between the dealer and the Subscriber.

No agent appointed by the Partnership to offer Offered Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of the fees payable to it as agent for the Offering as described herein, provided that the Manager may pay additional fees to agents that introduce purchasers to the Partnership.

The Partnership may also incur marketing and other professional services expenses in connection with the Offering.

ITEM 9 - RISK FACTORS

The Offering should be considered highly speculative due to the nature of the Partnership's business and the fact that the Partnership has limited operating history. An investment in Offered Units should only be made after consultation with independent qualified sources of investment, tax and legal advice. The directors, officers, employees and consultants of the Manager and the General Partner do not provide investment or tax advice. There is no established market for the Offered Units and none is expected to develop. Therefore, it may be difficult or impossible for a Subscriber to sell such securities.

An investment in the Partnership is speculative and involves a high degree of risk. There is a risk that an investment in the Partnership will be lost entirely or in part. Only purchasers who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of Offered Units.

The following is a summary of certain risk factors pertaining to Partnership but does not purport to be a complete summary of all of the risks associated with an investment in securities of the Partnership. The business, operations, financial condition, revenues and profitability of the Partnership could be materially adversely affected by any of these risks.

9.1 Risks Associated with the Offered Units

Risks that are specific to the Offered Units include the following:

No Guaranteed Return

The recovery of an investment in the Partnership is at risk, and the anticipated return on such investment is based on many performance assumptions. There is no guarantee that an investment in Offered Units will earn any positive return in the short or long-term. A return on, or of, investment in Offered Units is dependent upon the success of the Partnership in generating sufficient capital appreciation and income on the assets of the Partnership. The Partnership could realize losses rather than gains. As a result, there is no assurance or guarantee that the Partnership and, correspondingly, the purchasers of Offered Units pursuant to the Offering will earn a return on, or of, their investment.

Cash Distributions are Not Guaranteed

Cash distributions to Limited Partners are not guaranteed and are not fixed obligations of the Partnership. The Partnership does not anticipate paying any distributions on the Series A1 Units, Series A2 Units, Series A3 Units, Series A4 Units or the Series W3 Units for the foreseeable future. The ability of the Partnership to make cash distributions on the Offered Units (and the timing of the commencement of any distributions and actual amounts distributed, if any) will be affected by a number of factors, including working capital requirements of the Partnership, the profitability of carrying out the Partnership's Farmland Business, acquisitions, and any restrictive covenants pursuant to third-party debt financing arrangements. Even if distributions are made, no assurance can be given that such distributions will continue or that they will not be reduced or eliminated. If the Partnership's Farmland Business is unsuccessful, the Partnership will likely not have sufficient cash flow to make cash distributions to Unitholders; therefore, there is no certainty as to when or if the Partnership will make distributions of cash to its Unitholders. It is possible that the Partnership will make non-cash distributions and accordingly a Unitholder's tax liability for a year arising from its status as a Unitholder may exceed the amount of cash distributions received from the Partnership by the Unitholders.

The General Partner may fund distributions from cash flow from the business and operations of the Partnership, debt, or capital contributions. In certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period.

Lack of Marketability of Offered Units

There is currently no market through which the Offered Units may be sold and it is very unlikely that one will develop. The Partnership intends to restrict the transfer of Offered Units to prevent the development of a market for the Offered Units. In addition, redemption of Offered Units is limited. None of the Offered Units will be listed or posted for trading on a recognized stock exchange or other trading or quotation system. The Partnership has not prepared, filed or delivered to potential Limited Partners a prospectus. The Offered Units are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, investors will not be able to trade the Offered Units unless they comply with an exemption from the prospectus under securities legislation.

Unless permitted under securities legislation, no Limited Partner can trade Offered Units before the date that is four months and a day after the date the Partnership becomes a reporting issuer in any province or territory of Canada. The Partnership is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore, the Offered Units will be subject to an indefinite hold period. The Offered Units may only be transferred under limited exemptions under applicable securities laws. Consequently,

Limited Partners may not be able to sell the Offered Units readily or at all, and they may not be accepted as collateral for a loan. Limited Partners should be prepared to hold the Offered Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Under certain conditions, redemptions may not be payable in cash but rather, satisfied through the distribution of Redemption Notes, for which there will be no market. Accordingly, an investment in Offered Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Units may only be transferred in accordance with applicable securities laws and the LP Agreement. The LP Agreement provides that no Units are to be transferred without the written consent of the General Partner and otherwise in accordance with the LP Agreement.

Loss of Investment in the Event of a Limited Partner Default

In the event a Limited Partner becomes a Defaulting Limited Partner (which may occur in circumstances such as: (a) the Limited Partner failing to qualify as a Permitted Holder; (b) the representations, warranties and covenants of a Limited Partner as set forth in the LP Agreement prove to be untrue at any time; (c) a Limited Partner fails to provide any information or declaration to the General Partner as required pursuant to the LP Agreement; or (d) a Limited Partner otherwise is in breach of its obligations under the LP Agreement (and fails to remedy same)), the General Partner, on behalf of the Partnership, has the right to sell or redeem the Units of such Defaulting Limited Partner at a discount. See Item 2.7.1 - *LP Agreement - Limitation on Non-Resident Ownership*.

No Minimum Offering Size

There is no minimum offering size. There can be no assurance that any particular level of subscription by Subscribers or any level of proceeds under the Offering will be reached. The Partnership may issue and sell Offered Units under the Offering from time to time until the Offering is otherwise terminated. There can be no assurance that the Offering will provide funding that is sufficient to permit the Partnership to acquire any additional assets or to otherwise advance the Partnership's Farmland Business, in whole or in part. Consequently, the Partnership's business development plans and prospects could be adversely affected, since fewer investments would be made.

Limited Voting Rights

Limited Partners will have no right to vote on any matters affecting the Partnership, other than those matters specified in the LP Agreement. Pursuant to the LP Agreement, no Limited Partner is permitted, as such, to take part in the control or management of the Partnership. Although Limited Partners may vote on certain matters affecting the Partnership, exclusive authority and responsibility for controlling and managing the Partnership rests with the General Partner and those consultants and advisors retained by the General Partner on behalf of the Partnership, such as the Manager. Accordingly, no person should purchase the Offered Units unless such person is willing to entrust all aspects of the Partnership to the Manager and the General Partner. See Item 2.7.1 - *LP Agreement - Approvals of Unitholders* and Item 5.1.2 - *Voting Rights*.

Limited Redemption Rights of Offered Units

Redemption rights under the LP Agreement are subject to certain restrictions. Investors should carefully review Item 5.1.3 - *Redemption and Retraction of Units*.

In the event that Offered Units are redeemed, tendered for redemption or repurchased, the price per Offered Unit to be received in such an event is to be based on an assessment of the Net Asset Value as determined pursuant to the LP Agreement. However, the valuation of investments is inherently highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In addition, the General Partner may, in its reasonable discretion, make reasonable adjustments to the Net Asset Value of a Series in order to reflect any other matters that the General Partner, in its discretion, considers equitable. Accordingly, the value received for the Offered Units may differ from their actual value and such difference may be material.

The Redemption Price payable to Subscribers redeeming Offered Units may be lower than the price per Offered Unit paid by the Subscribers for such Offered Unit. Further, a Limited Partner will receive a lower Redemption Price if such Limited Partner redeems his or her Offered Units within a certain period of time from the date of investment (depending on the Series of Offered Unit held by the Limited Partner). This is intended to protect the Partnership and existing Limited Partners from a reduction in the value of the Partnership due to payment of offering costs.

Once the Quarterly Limit is reached, redeeming Limited Partners may receive from the Partnership (in lieu of cash), Redemption Notes. Redemption Notes so issued will be unsecured debt securities of the Partnership and may be subordinated to other of the Partnership's debt obligations.

There can be no assurance that the Partnership will have sufficient cash flow or financial resources to fund any redemptions of the Offered Units. Furthermore, the LP Agreement also provides that the General Partner may, from time to time, in its absolute discretion and for any reason so long as it is acting reasonably, (a) suspend the redemption of Units, (b) postpone the date of payment of redeemed Units and/or (c) pay all or part of the Redemption Price of Units which are redeemed through the issuance of Redemption Notes. See Item 5.1.3 - *Redemption and Retraction of Units - No Cash Redemption in Certain Circumstances* and Item 5.1.3 - *Redemption and Retraction of Units - Suspension of Redemptions*.

Substantial Redemption of Units

Unitholders have the right to redeem their Units upon the terms outlined in the LP Agreement. A substantial redemption of such Units may adversely affect the available capital required by the Partnership to carry out the Farmland Business, which may have a material adverse effect on the Net Asset Value of the Partnership.

Nature of Offered Units

The Offered Units do not represent a direct ownership interest in the Farmland Business but rather a fractional beneficial interest in the Partnership. The Offered Units are not debt instruments and there is no principal amount owing to Unitholders under the Units. Corporate law does not govern the Partnership or the rights of Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to seek recourse under the oppression remedy or to bring a derivative action. See Item 5.1.6 - *Rights of Limited Partners*. Further, in the event of insolvency or restructuring under the Bankruptcy and Insolvency Act (Canada) or the *Companies Creditors Arrangement Act* (Canada) a Unitholder's position may be quite different than that of a shareholder of a corporation as the Partnership would not be able to access the remedies available under these statutes.

Possible Loss of Limited Liability

Limited Partners may lose the protection of limited liability in certain circumstances, including as a result of taking part in the management of the business of the Partnership or the failure by the Partnership to register as a limited partnership in some of the jurisdictions where it carries on business. The Partnership has been organized such that exercise by a Limited Partner of its rights under the LP Agreement should not, by itself, constitute taking part in management of the business. See "*Limited Voting Rights*" above. The General Partner will conduct the business and affairs of the Partnership to the extent reasonably possible in such a manner that the liability of Limited Partners will be limited. The General Partner has unlimited liability for the obligations to the Partnership and has agreed to indemnify the Limited Partners in certain circumstances, including loss of limited liability through no fault of the Limited Partners. However, the General Partner has nominal assets and it is unlikely that it will have sufficient assets to satisfy any claims pursuant to such indemnity.

Upon dissolution of the Partnership, the Limited Partners may receive undivided interests in the assets of the Partnership and will no longer enjoy limited liability with respect to the ownership of such assets. There is also a risk that Limited Partners could lose their limited liability in certain circumstances and be liable beyond their contribution and share of undistributed net income of the Partnership. Where a Limited Partner has received a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors, any amount, not in excess of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

Sale of Additional Offered Units

The Partnership may issue additional Offered Units in the future. The authorized number of Offered Units for issuance by the Partnership is unlimited. Such additional Offered Units may be issued without the approval of Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the General Partner. Without limiting the generality of the foregoing, the General Partner may create and issue rights, warrants (including so-called "special warrants" or "subscription receipts" which may be exercisable, exchangeable or convertible for no additional consideration) or options to subscribe for Offered Units which rights, warrants or options or other exercisable, convertible or exchangeable securities may be converted, exercised or exchanged, as applicable, at such subscription price or prices and at such time or times as the General Partner may determine. Unitholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of Offered Units (or issuance rights or warrants which may be exercisable, exchangeable or convertible to Offered Units) will have on the fair market value of the Offered Units. With any additional issuance of Offered Units, Unitholders will experience dilution.

Units are Not Insured

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation or any other insurance company or program.

No Review of Offering Memorandum by Regulatory Authorities

Subscribers will not have the benefit of a review of this Offering Memorandum, the LP Agreement, or any other documents in relation to the Offering by any regulatory authorities.

No Independent Counsel for Unitholders

The Partnership and the General Partner have consulted with and retained for their benefit Counsel to advise them in connection with the formation and terms of the Partnership and the offering of Units. Legal counsel that assisted in preparing the documentation in connection with the Offering, including the LP Agreement, acted as legal counsel for the Partnership. No independent counsel was retained on behalf of the Unitholders. There has been no review by independent counsel on behalf of the Unitholders of this Offering Memorandum, the LP Agreement or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Unitholders by Counsel. Therefore, to the extent that the Unitholders could benefit by further independent review, such benefit will not be available unless individual Unitholders retain their own legal counsel.

Income Tax Risks

Canadian federal, provincial and local tax aspects should be considered prior to purchasing Offered Units under the Offering. Prospective investors of Offered Units are urged to consult their own tax advisors with respect to the specific tax consequences to them of investing in Offered Units. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum.

No assurance can be given that changes in the Income Tax Act, or changes in the administrative policies and assessing practices of the CRA, or future court decisions, the implementation of new taxes will not adversely affect the Partnership or fundamentally alter the income tax consequences to Unitholders with respect to acquiring, holding or disposing of Offered Units. Legal, tax or administrative changes, which occur during the life of the Partnership, could have an adverse effect on the Partnership, the Unitholders or both.

If Offered Units are acquired by a purchaser after the beginning of a year, the purchase price for the Offered Units may include an amount in respect of income or capital gains realized by the Partnership during that year, a portion of which may be allocated to the investor in that year for Canadian income tax purposes. An investor who purchases Offered Units other than at the beginning of the year may therefore have to pay income tax on a portion of the Partnership's realized income and capital gains as determined for the entire year, even though they were not invested in the Partnership during the entire year.

The Partnership does not intend to make distributions for the foreseeable future. In any fiscal period, Unitholders will be required to include in computing their income for tax purposes such amount of the Partnership's income as is allocated to them in accordance with the provisions of the LP Agreement, even if no distributions are made by the Partnership in that fiscal period. Accordingly, there can be no assurance that cash distributions, if any, made by the Partnership will be sufficient to satisfy a Unitholder's tax liability for a fiscal period arising from its status as a Unitholder of the Partnership. See Item 7 - *Certain Income Tax Consequences*.

The rules in the Income Tax Act relating to "SIFT partnerships" (the "**SIFT Rules**") will apply to a partnership that is a "SIFT partnership". The Partnership does not expect that it will constitute a "SIFT partnership" on the basis that investments in the Partnership will not be listed or traded on a stock exchange or other public market. If the SIFT Rules were to apply to the Partnership, such that the Partnership was characterized as a "SIFT partnership", it would have an adverse impact on the Partnership and its ability to operate and generate returns from its Farmland Business.

Purchasers are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Offered Units purchased pursuant to the Offering.

U.S. Withholding Tax Risk

Generally, FATCA imposes a 30% withholding tax on "withholdable payments" made to an investment entity, unless the investment entity enters into a FATCA agreement with the IRS (or is subject to an intergovernmental agreement as described in Item 7 - *Certain Income Tax Consequences - International Information Reporting Requirements*) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain purchasers and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

If the Partnership is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Partnership's assets and may result in reduced investment returns to Limited Partners. It is possible that the administrative costs arising from compliance with FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Partnership. For additional information, see Item 7 - *Certain Income Tax Consequences - International Information Reporting Requirements*.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the Income Tax Act, future U.S. Treasury regulations, and other guidance.

Series Risk

The Partnership offers more than one Series. The relative interests of different Series will be determined based on the Net Asset Value of each Series relative to the Net Asset Value of all Series. The General Partner may, in its reasonable discretion, make reasonable adjustments to the Net Asset Value of a Series in order to reflect any other matters that the General Partner, in its discretion, considers equitable. If there are insufficient assets attributable to a Series to pay expenses and liabilities allocated to such Series, the assets attributable to other Series may be used to make up the difference and this may reduce the returns realized by holders of Units of those other Series. This is because the Partnership as a whole is legally responsible for the financial obligations of all of its Units.

9.2 Risks Associated with the Entities

Risks that are specific to the Partnership include the following:

Assets to be Acquired Have Not Been Identified or Determined

Other than the farmland currently held by the Partnership, the assets to be acquired by the Partnership with the proceeds of this Offering have not yet been identified or determined and Limited Partners will not have an opportunity to evaluate additional investments in which the proceeds of this Offering will ultimately be invested or the terms of such acquisitions. There can be no assurances that the Partnership will identify potential investments that warrant acquisition. Even if assets are identified and the acquisition of the same or an interest therein is determined to be in the best interest of the Partnership, the Partnership may not be able to finance the acquisition and additional funds may be required to complete the acquisition. If the Partnership is unable to identify and acquire suitable investments, its business, operating results and financial condition could be adversely affected. The Partnership will not have the earnings to support payment of distributions to holders of the Units should its investments or acquisitions not prove to be profitable. In addition, if the Partnership makes only a limited number of investments or acquisitions, the aggregate returns realized by the Partnership could be adversely affected in a material manner by the unfavourable performance of even one such investment or acquisition. The Net Asset Value per Unit of the Offered Units will go down should the assets acquired with the proceeds of this Offering prove not to be profitably productive.

Achievement of Investment Objectives

There can be no assurance that the Partnership's investment strategies will be successful or that its investment objectives will be achieved. The Partnership could realize substantial losses.

Limited Operating History

The Partnership has a limited operating history. The past investment performance of the Manager should not be construed as a guarantee or expectation of future results of any investment in the Partnership.

The Partnership's Farmland Business is subject to all the risks inherent in the establishment of a new business enterprise. There is no certainty that the Partnership's business strategy will be successful. The likelihood of success of the Partnership must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Partnership fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Partnership can operate profitably.

Investments will be Long-Term and Illiquid

The Partnership is an open-ended vehicle with no specified termination and wind-up date and the exact nature of the liquidation transaction(s) of its assets are not certain at this time. The Units are illiquid securities in a private limited partnership and the Partnership will be investing in illiquid assets. See "*Illiquidity of Farmland Investments*" below. Unlike the securities of publicly listed companies or companies that intend to seek a public listing in the near term, there is no expectation that a public market will develop for the Units and there is no assurance that the Partnership will seek to recover its invested capital from the sale of its investments, except on the winding up of the Partnership. While the Partnership intends to maintain sufficient cash balances to cover general and operating expenses, the illiquidity of the Partnership's investments may cause deficiencies if substantial unexpected events occur or expenses become due. There is no assurance that the Partnership will be able to sell portions of its positions in its farmland portfolio without facing substantially adverse prices, or may be required to sell such positions before their intended investment horizon, which may have a material adverse effect on the Partnership's financial condition, results of operations or prospects.

Operational Dependence

Decisions regarding the management of the Partnership's affairs will be made exclusively by the Manager and the General Partner and not by the Limited Partners. The success of the Partnership will, to a large extent, depend on the good faith, experience, ability and judgment of the Manager and the General Partner to make appropriate decisions with respect to the operations of the Partnership. Purchasers must rely on the good faith, experience, ability and judgment of the Manager and the General Partner, and this investment would not be appropriate for those unwilling to do so. The Manager and the General Partner may retain independent contractors to provide services to the Partnership. These contractors have no fiduciary duty to the Limited Partners and may not perform consistently with the fiduciary duty owed to Limited Partners by the General Partner.

The ability of the Manager and the General Partner to successfully implement the Partnership's business strategy will depend in large part on the continued involvement of the directors and officers of the general partner of the Manager and the General Partner. Pursuant to the Management Agreement, the Manager may provide certain staff (including individuals to be designated as officers of the General Partner) required by the Partner. None of the General Partner, the Manager nor the Partnership maintain key person life insurance for the management team of the General Partner and the Manager. Although the Manager believes that it will be able to replace key personnel for itself and the General Partner within a reasonable time should the need arise, the loss of key personnel of the Manager or the General Partner could have a material adverse effect on the business, financial condition, liquidity and results of operations of the Partnership.

The Manager's Experience is not Indicative of the Future Results of an Investment in Units

While the Manager (or its principals) has experience in the Farmland Business, there is no assurance that any success achieved by those individuals in their prior opportunities will be similarly enjoyed by the Partnership. Historical successes of any past project experienced by the Manager may have been based on different investment models and relate to farmland and associated businesses located in different locations than the Partnership's Farmland Business. These historical successes cannot, and should not, be viewed as indicative of future performances of the Partnership and the Offered Units and must not be relied upon as a forecast or projection of the anticipated returns, if any, on an investment in the Offered Units.

Reputational Risk

The growth of the business of the Partnership depends on the business relationships of the Manager and the Partnership and the Manager's and the Partnership's reputation. Poor performance of any kind of the Partnership or the Farmland Business could damage the Partnership's reputation with potential investors and make it more difficult for the Partnership to raise new capital. Reputational damage could arise from allegations of misconduct from private litigants or regulators, whether the allegations are valid or invalid and whether the outcome is favourable or unfavourable. Such allegations may result in negative publicity and press speculation about the Partnership, its investment activities or the business of farmland investing in general, in each case potentially harming the Partnership's business.

Potential Conflicts of Interest

The Partnership's organizational structure and strategy involves a number of relationships that may give rise to conflicts of interest between investors of the Partnership, on the one hand, and the General Partner and the Manager (or its principals), on the other hand. In certain instances, the interests of the Manager may differ from the interests of investors of the Partnership, including with respect to the types (and locations) of acquisition opportunities pursued, the use of leverage when making acquisitions and the appointment of outside advisors and service providers.

Furthermore, the directors and officers of the general partner of the Manager are also directors and officers of the General Partner, being Messrs. Johnston and Laughland. The Manager (and its principals) is entitled to the Management Fee and the Special Limited Partner (and its principals) is entitled to share in the returns generated by the Partnership's operations through the Performance Distribution, which could create an incentive for the Manager and the General Partner to assume greater risks when making decisions than it otherwise would in the absence of such entitlements. See Item 2.1.4 - *Relationship with the Manager and the General Partner and Potential Conflicts of Interest* for additional conflicts of interest created by the Partnership's organizational and ownership structure.

Under the LP Agreement, officers and directors of the General Partner and the officers and directors of the general partner of the Manager are permitted to engage in activities that are the same as, or similar to, the activities of the Partnership. The directors and officers of the General Partner and the officers and directors of the general partner of the Manager currently are directors and/or officers and/or controlling persons of other entities that are engaged in activities that are the same as, or similar to, the business and activities which are to be undertaken by the Partnership. The directors and officers of the General Partner and the officers and directors of the general partner of the Manager will not devote their full time and attention to the affairs of the Partnership and, when acting on their own behalf and on behalf of others, may at times act in competition with the interests of the Partnership. See Item 2.7.1 - *LP Agreement - Business Interests of the General Partner and the Manager*.

As the Partnership's arrangements with the Manager were effectively determined by the Manager in the context of the formation of the Partnership, they may contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties and certain contractual terms usually contained in documentation that is negotiated at arm's length may not necessarily be included in the agreements between the Manager and the Partnership as those terms would not have the same effect as they would have in transactions between unrelated parties. In addition, future arrangements between the Partnership and the Manager and one or more of the affiliates or associates of the Manager may be entered into without the benefit of arm's length bargaining. Situations may arise in which the Manager may be making determinations which could benefit themselves, affiliates or their respective associates, officers or directors to the detriment of the Partnership.

Termination of the Management Agreement

The Management Agreement may only be terminated by the Partnership if the Manager (a) defaults in the performance or observance of any material terms that has or can reasonably be expected to have a material adverse impact on the Partnership and fails to cure such default within a certain time; (b) commits any act of fraud, misappropriation of funds or embezzlement against the Partnership that results in material harm to the Partnership; (c) commits an event of gross negligence in the performance of its duties which results in material harm to the Partnership; or (d) ceases to carry on business, becomes bankrupt or insolvent, resolves to wind-up or liquidate, makes a general assignment for the benefit of its creditors or has a receiver appointed with respect to any of its assets. The Partnership cannot terminate the Management Agreement for any other reason, including if the Manager experiences a change of control, and there is no fixed term to the Management Agreement. In addition, because the Manager and the General Partner are affiliates, it may be unwilling to terminate the Manager, even if a default does occur in the manner described above. Furthermore, the Partnership may not terminate the Management Agreement due solely to the poor performance or underperformance of the Partnership's Farmland Business. If the Manager's performance does not meet the expectations of Subscribers, and the Manager is unwilling to terminate the Management Agreement, the price of the Units may suffer.

Limited Liability and Indemnification of the Manager

Pursuant to the Management Agreement, the Partnership shall indemnify and save harmless Covered Persons from and against all claims, demands, losses, actions, causes of action, damages and liabilities whatsoever, including costs, charges and expenses (and, without limitation, legal fees and disbursements incurred by the Covered Persons on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity) arising out of any actions taken (or allegedly taken or omitted to be taken) in connection with the Management Agreement, except for claims which are caused by or arise from the fraud, willful misconduct or gross negligence on the part of the Covered Person. In the absence of fraud, willful misconduct or gross negligence, no Covered Person shall be liable to the Partnership for any loss or damage arising out of the performance of the Manager's obligations and duties under the Management Agreement. Such indemnification obligations could decrease the returns which would otherwise be available to the Limited Partners.

Additional Financing

In addition to the net proceeds of the Offering, the Partnership may require additional capital to implement and achieve its objectives. There can be no assurance that Additional Financing will be available or sufficient to meet the requirements of the Partnership to implement its objectives or, if Additional Financing is available, that it will be on terms acceptable to the Partnership. The inability of the Partnership to access sufficient capital to support future growth opportunities and for its operations could have a material adverse effect on the Partnership's financial condition, results of operations or prospects.

Financing Risks

The Partnership and the General Partner are required to comply with covenants under the documentation for the Credit Facilities and any other credit facilities entered into by the Partnership. In the event that the Partnership or the General Partner fails to comply with such covenants, access to capital could be restricted or repayment could be required on an accelerated basis by the lender, which could have a material adverse effect on the Partnership's financial condition, results of operations or prospects. The lender has security over all present and after-acquired property of the Partnership and the General Partner. If the Partnership becomes unable to pay its debt service charges or otherwise commits an event of default that is not cured, the lender may foreclose on or sell the Partnership's assets. Variations in interest rates and scheduled principal repayments could result in significant changes in the amounts required by the Partnership to be applied to debt service before being able to utilize available cash for acquisitions. Although the Manager believes the Credit Facilities will be sufficient for the near term, there can be no assurance that the amount will be adequate for the parties' future financial obligations or that additional funds will be able to be obtained. Failure to obtain financing may result in the Partnership not being able to pursue acquisition opportunities. The Credit Facilities contain certain covenants which affect and, in some cases, may significantly limit, among other things, the activities in which the Partnership may engage in when carrying-on the Farmland Business.

A high level of indebtedness increases the risk that the Partnership may default on its debt obligations. The Partnership's ability to meet its debt obligations and to reduce its level of indebtedness depends on future performance. General economic conditions, business and other factors affect operations and future performance. Many of these factors are beyond the control of the Partnership, the General Partner and the Manager. The Partnership may not be able to generate sufficient cash flows to pay the interest on debt and future working capital or to repay all or part of its indebtedness and equity financing may not be available to pay or refinance such debt on commercially reasonable terms. Factors that will affect the ability to raise cash through an offering of units or a refinancing of debt include financial market conditions, the value of units, the value of assets and performance at the time the Partnership needs capital. There is also a risk that the Credit Facilities will not be renewed for the same principal amount or on the same terms. Any of these events could have a material adverse effect on the Partnership's financial condition, results of operations or prospects.

Recourse to the Partnership's Assets

The Partnership's assets, including any investments made by the Partnership and any capital held by the Partnership, are available to satisfy all liabilities and other obligations of the Partnership. If the Partnership itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Partnership's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Limited Liability

The limited liability of a Limited Partner may be lost in certain circumstances, including where a Limited Partner takes part in the control or management of the business of the Partnership or through non-compliance with the Partnership Act. In addition, Limited Partners may lose their limited liability to the extent the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

9.3 Risks Associated with the Farmland Business

Risks that are specific to the Farmland Business include the following:

Risks Related to Ownership of Farmland

The Partnership is subject to the normal risks associated with the ownership and operation of farmland, including fluctuations in interest rates, rental rates and vacancy rates; the ability to obtain and maintain tenants for rental lands; and other factors wholly or partially beyond

the control of the Partnership. Such investments are also affected by general economic conditions, local real estate markets, supply and demand for farmland, competition from other available farmland and various other factors. The value of farmland may also depend on the credit and financial stability of the farm operators who lease the properties from the Partnership. The Partnership's financial performance would be adversely affected if its farm operators were to become unable to meet their obligations under their leases. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the farm operator replaced. The terms of any subsequent lease may be less favourable to the Partnership than the existing lease. Further, farm leases may be subject to legislation which, among other things, grants a farm operator the ability to re-enter leased lands after the expiry or termination of the lease to complete harvest or remove crops. This may cause a delay in re-letting the lands owned by the Partnership resulting in financial loss to the Partnership.

In the event of default by a farm operator, delays or limitations in enforcing rights as lessor may be experienced and costs incurred in protecting the Partnership's investment may be incurred. Furthermore, at any time, a farm operator of any of the Partnership's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such farm operator's lease and thereby adversely affect the financial performance of the Partnership. The ability of farm operators to meet their lease obligations, and the Partnership's financial results to the extent that it operates any farmlands directly or crop shares or otherwise accepts grain or other crops in payment of rent, will be dependent on the crop yields on the farmlands owned by the Partnership which can be affected by numerous factors beyond the control of the Partnership or farm operators including commodity prices, weather, crop diseases, pests and wildlife. In the event of default by a farm operator, the Partnership may experience delays in enforcing its rights as lessor and may incur significant costs in protecting its investment. In addition, a farm operator may seek the protection of bankruptcy, insolvency or similar laws. The Partnership cannot evict a farm operator solely because of its bankruptcy. A court, however, may authorize a farm operator to reject and terminate its lease with the Partnership. In such a case, the Partnership's claim against the farm operator for unpaid, future rent may be subject to a statutory limit that might be substantially less than the remaining rent owed under the lease. The loss of rental payments from farm operators and costs of re-leasing could adversely affect the Partnership's cash flows and operating results.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of the farmland regardless of whether the farmland is producing any income.

General Economic Conditions

The Partnership and its Farmland Business are subject to changes in the general economic conditions in Canada and globally, including but not limited to, international trade and global political conditions, recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, currency exchange rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. These factors negatively impact company valuations and may impact the value of real estate properties in Canada. In particular, the Partnership's Farmland Business is dependent on the health of the Canadian agricultural industry, which in turn is dependent on the price of agricultural commodities. To the extent the Partnership operates any farmland directly or crop shares or otherwise accepts grain or other crops in payment of rent, the Partnership will be directly exposed to fluctuations in prices for these commodities. The price of grain and other agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of the Partnership, including weather, outbreaks of crop diseases or insect infestations, government (Canadian, United States and other) farm programs and policies and changes in global demand or other economic factors. In addition, rental rates could decline, tenant bankruptcies could increase and tenant renewals may not be achieved, particularly in the event of an economic slowdown. Any of these negative economic events could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Partnership and the tenants of the Partnership's Farmland Business.

Globally, recent market events and conditions, including changes in interest rates, availability of credit, inflation rates, national and international political circumstances and unforeseen events causing economic uncertainty have resulted in a deterioration of global economic conditions. Furthermore, oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities. Notwithstanding various actions by governments, concerns remain about the general condition of the real estate markets, capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors negatively impacted company valuations and impacted the performance of the global economy.

Furthermore, economic conditions globally and in Canada may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial and commodity markets, such as Russia's invasion of Ukraine and any restrictive actions that are or may be taken by Canada, the United States and other countries in response thereto, such as sanctions or export controls. Any such negative impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Partnership and its Farmland Business.

The uncertain nature, magnitude, and duration of hostilities stemming from Russia's recent military invasion of Ukraine, including the potential effects of sanctions and retaliatory cyber-attacks on the world economy and markets have contributed to increased market volatility and uncertainty, and such geopolitical instability could have an adverse impact on both microeconomic and macroeconomic factors which affect the Partnership's assets and business. The economic effects of the current conflict including, but not limited to, the increased cost of fertilizer, feed and other commodities may increase the operating costs of the Partnership's tenants. To the extent that the Partnership's tenants are unable to reflect these increased operating costs in their revenues, there is no assurance that the Partnership's ability to collect rental income from its tenants for future periods will not be adversely affected.

To the extent that a prolonged economic downturn or recession were to occur, there may be a material adverse effect on the business, financial condition, results of operations and cash flows of the Partnership and its Farmland Business.

Disease Outbreaks may Negatively Impact the Performance of the Partnership

A local, regional, national or international outbreak of a contagious disease, including, but not limited to, coronavirus (including COVID-19), Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness could result in: a general or acute decline in economic activity in the regions where the Partnership and its Farmland Businesses operate, a decrease in the willingness of the general population to travel, staff shortages, reduced tenant traffic, adverse impacts on the Partnership's tenants' employment and/or businesses and thereby the Partnership's tenants' ability to meet their payment obligations, mobility restrictions and other quarantine measures, supply shortages, risks to employee health and safety increased labor and fuel costs, increased government regulation, restricted access to courts thereby encumbering the Partnership's ability to bring forward any eviction rights it might want to assert, and the quarantine or contamination of one or more of the places which the Partnership conducts business. Contagion in one of the farms or a location in which the Partnership operates could negatively impact the operations of the Partnership's Farmland Business and/or the reputation of the Partnership.

Outbreaks such as COVID-19 may cause the Manager to spend considerable time planning for and addressing such events, which diverts attention from other business concerns. All of these occurrences may negatively and materially adversely affect the ability of the Manager or the General Partner to discharge their duties and may have a material adverse effect on the Partnership's Farmland Business, operations, financial condition and cash flows.

Dependence on Workforce Availability

The future success of the Partnership depends, in part, upon the ability of the Manager and the General Partner to attract additional skilled employees and retain their current key personnel. They may not be able to hire and retain such personnel at compensation levels consistent with their existing compensation and salary structure. Their future success also depends on the continued contributions of their executive management team and other key management and technical personnel, each of whom would be difficult to replace. The loss of any of their executive officers or key personnel or the inability to continue to attract qualified personnel could harm the Partnership's Farmland Business, financial condition and operating results.

Further, farmland operations are labour intensive. The Partnership is dependent, in part, on its tenants' ability to source sufficient skilled laborers, particularly during peak harvest months. Existing and future border restrictions may have an impact on the availability of temporary foreign workers during the growing and harvesting season, with this decrease in labor potentially impacting farmers and crop yield. The Canadian temporary foreign worker program has continued subject to changing rules and regulations. These rules and regulations may change and there is no assurance that border restrictions and new rules and regulations will not create delays in its tenants' ability to utilize temporary foreign workers. Even though several provinces have announced initiatives to assist agribusinesses faced with an expected shortage in farm workers, there is no assurance that such initiatives will be sufficient. A shortage of skilled farm laborers could have an adverse effect on the Partnership's Farmland Business.

Inflation

Current economic conditions, supply chain issues, energy uncertainty and past and current government stimulus programs in response to the COVID-19 pandemic have resulted in inflation levels higher than previously expected. The severity and duration of these high levels of inflation are unknown. Historically, land value has appreciated considerably faster than the Consumer Price Index (CPI) and has exhibited low volatility, however, the Partnership's rental arrangements involve a lease at a fixed price per acre which is not tied to CPI or inflation. Accordingly, the Partnership will need to seek higher rent increases in order to maintain inflation-adjusted cash flows. It is unclear what the effects of high inflation will be on farms and their operations, and there is no assurance that the Partnership's ability to collect rental income from its tenants for future periods will not be adversely affected.

Agriculture Industry Cyclicity

The value of and revenues from the farmlands in which the Partnership will invest will be largely dependent on the performance of the Canadian agricultural industry. The agriculture sector has historically been a cyclical business. To the extent that the agricultural sector declines or experiences a downturn, the Partnership's operations and financial performance could be materially adversely affected.

Climate Change

The prospective short and long-term impact of climate change on the operations of the Partnership and those of our tenants remains uncertain. The environmental impacts of climate change including changing rainfall patterns, water shortages and drought, changing storm patterns and intensities and rising temperature levels may result in an overall decrease in the amount of arable land available and long-term viability of farmland. Higher acquisition prices of arable land, lower crop yields and accumulating pressures on current farming practices to meet increased demands may adversely affect the business of the Partnership and our tenants.

Competitive Marketplace

The Partnership experiences competition for farmland purchases as well as leasing of farmland. Certain of the Partnership's competitors may have greater financial and capital resources than the Partnership. The Partnership could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on farmland opportunities in Canada. There can be no assurance that farmland properties will be available to the Partnership on commercially acceptable terms or at all, or that leasing opportunities for the farmland of the Partnership will be available to the Partnership on commercially acceptable terms or at all.

Investment Timing

The Manager has not yet identified all of the potential investments that it will make. The Manager intends to conduct extensive due diligence with respect to the Partnership's investments and, as a result, suitable investment opportunities may not be immediately available. The Partnership cannot predict how long it will take to deploy its capital in investments. Timing will depend on, among other things, the availability of suitable investment opportunities.

Potential Undisclosed Liabilities Associated with Acquisitions

There may be liabilities and contingencies that the Partnership does not discover in its due diligence prior to consummation of an acquisition for which the Partnership has to bear responsibility for and which could have a material adverse effect on the business, financial condition, liquidity and results of operation of the Partnership.

Future Acquisitions

The Partnership may undertake future acquisitions of assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on having the acquired assets perform as expected, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial effort, time and resources and may divert the Manager's focus from other strategic opportunities and operational matters and ultimately the Partnership may fail to realize anticipated benefits of other acquisitions.

Management of Growth

The Partnership may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Partnership to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Partnership to deal with this growth may have a material adverse effect on the Partnership's business, financial condition, results of operations and prospects.

Uninsured and Underinsured Losses

The Partnership will use its discretion in determining amounts, coverage and limits and deductibility provisions of insurance for its operations and assets, with a view to maintaining appropriate insurance coverage on its assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. Further, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. A judgment against the Partnership in excess of available insurance or in respect of which insurance is not available could have a material adverse effect on our business and financial condition. A substantial loss without adequate insurance coverage could have a material adverse effect on the business, financial condition, liquidity and results of operation for the Partnership.

Illiquidity of Farmland Investments

Like other real property investments, farmland investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Partnership were required to liquidate farmland investments, the proceeds to the Partnership might be significantly less than the aggregate carrying value of such property.

Farming Practices

Farm operators have control over the farming operations on lands leased from the Partnership and, in general, are contractually subject to conducting their farming operations in accordance with good farming practices and on a basis consistent with such practices as would be undertaken by a prudent owner farming its own farmland. Accordingly, the Partnership will be reliant on the farm operators (tenants) for utilizing good farming practices which do not degrade the farmland owned by the Partnership. Any such degradation may have a materially negative impact on the value of the farmland.

Compliance with Applicable Environmental Laws and Regulations

Environmental legislation and policies have become increasingly stringent in recent years. Under various laws, the Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances found on or released on, from or in one or more of the properties of the Partnership, which costs could be significant. Such laws could impose liability whether or not the Partnership

knew of, or was responsible for, the presence of such hazardous or toxic substances. The failure to remove or remediate such substances, if any, may adversely affect the Partnership's ability to sell such property or to borrow using the property as collateral, and could potentially also result in claims against the Partnership by private parties. Further liability may be incurred by the Partnership with respect to the release of such substances from the Partnership's properties to properties owned by third parties, including properties adjacent to the Partnership's properties. The presence and migration of such substances (or even the mere suspicion of the presence or migration of such substances) and the failure to remove, remediate or otherwise address such substances, if any, could adversely affect the Partnership's abilities to sell its real estate or to borrow using real estate as collateral, and could potentially also result in civil claims for rent reductions or termination of leases for cause as well as for damages, statutory prosecutions, administrative orders or other proceedings against the Partnership and in a reduction of property value

Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property or of paying personal injury claims could be substantial.

The Partnership may be subject to liability for undetected pollution or other environmental hazards against which they cannot insure, or against which they may elect not to insure where premium costs are disproportionate to the Partnership's perception of relative risk.

Changes in Applicable Law (including the Regulatory Regime with respect to Ownership of Farmland)

There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the Partnership's Farmland Business. In particular, the profitability of the Partnership will, in part, be dependent upon the continuation of the regulatory regime with respect to the holding of farmland in Canada, and in particular, in the provinces of Saskatchewan and Manitoba. Should farmland ownership provisions be modified in regions where the Partnership owns farmland, the operations and financial results of the Partnership may be materially adversely affected. The provinces of Saskatchewan and Manitoba have restrictions regarding the ownership of farmland by non-resident persons or non-Canadian owned entities, as well as provisions whereby the applicable regulatory authority may issue orders to any person having a land holding in contravention of applicable law which could, among other things, require such person to reduce his, her or its aggregate land holding to an aggregate land holding that is permitted.

Prior to the Partnership acquiring farmland, it may require an order approving the acquisition from the applicable regulatory authority. If such order (if required) is not obtained, the Partnership will not be able to acquire farmland in such province and the operations and financial results of the Partnership may be materially adversely affected.

On January 1, 2023, the Federal PPRP Act came into force. Subject to the detailed rules of the Federal PPRP Act and the regulations made thereunder, and with very few exceptions, individuals who are not Canadian citizens, not permanent residents or not registered under the *Indian Act*, as well as corporations and entities formed outside of Canada or controlled by non-Canadians, are prohibited from purchasing, directly or indirectly, residential property that is situated in census metropolitan and census agglomeration areas in Canada, with serious penalties for non-compliance. There are no exceptions or relief provided for investment entities (such as the Partnership) or its investors. It is also possible that managers, trustees, general partners, and other professional advisors may be liable for penalties if there is noncompliance with the Federal PPRP Act. The Partnership currently does not restrict its investors to such persons described above and accordingly, the Partnership may be prohibited from acquiring residential property as defined in the Federal PPRP Act. The Partnership does not expect that the farmland it seeks to acquire will be residential property as defined in the Federal PPRP Act. However, the Partnership may still experience increased transaction costs in order to maintain its ongoing compliance with the Federal PPRP Act. Such transaction costs may adversely affect the Partnership. The Federal PPRP Act is set to expire on January 1, 2025, although the expiry date could be changed.

General Litigation Risk

In the normal course of the Partnership's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relation to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Partnership and as a result, could have a material adverse effect of the Partnership's investments, liabilities, business, financial condition and results of operations. Even if the Partnership prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of the Manager, the General Partner and key personnel from the Partnership's business operations, which could have a material adverse effect on the Partnership's business, cash flow, financial condition, results of operations and ability to make distributions to holders of Units.

Cyber-Security

The Partnership maintains confidential information regarding its investors, borrowers, business plans, tenants, strategy and potential origination opportunities in its computer systems. The Partnership also maintains internet website(s). Despite the implementation of network security measures, this infrastructure may be subject to physical break-ins, computer viruses, programming errors, attacks by third parties or similar disruptive problems. A security breach of computer systems could disrupt operations, damage reputation, result in legal or regulatory liability, and/or have a material adverse effect on the Partnership and its Farmland Business.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Partnership. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Partnership.

Neither the General Partner, the Partnership nor the Manager is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Offered Units having regard to any such investment needs and objectives of the potential investor.

ITEM 10 - REPORTING OBLIGATIONS

The Partnership will send to Limited Partners (or make available if sending is not required by applicable laws) within 120 days after the end of each Fiscal Period (or within such shorter time as may be required by applicable securities law): (i) the audited annual consolidated financial statements of the Partnership for such Fiscal Period, together with comparative audited financial statements for the preceding Fiscal Period, if any, prepared in accordance with IFRS; and (ii) so long as required by applicable securities laws, a notice of the Partnership disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Partnership under Section 2.9 of NI 45-106.

The Partnership shall send to Limited Partners (or make available if sending is not required by applicable laws) a notice of specified events under subsection 2.9(17.20) of NI 45-106.

The General Partner shall, on or before such date as may be required under applicable law, provide such information as may reasonably be necessary to permit Limited Partners to report their respective share of Net Income or Net Loss of the Partnership for income tax purposes in respect of a Fiscal Period. Each Limited Partner will be solely responsible for filing all income tax returns and reporting its share of the Partnership income or loss.

The Partnership is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, other than the disclosure set forth above, the Partnership is not subject to the "continuous disclosure" requirements of any securities legislation and there is no requirement that the Partnership make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Partnership. The Partnership files information with SEDAR only as required pursuant to section 2.9 of NI 45-106, which information is available electronically from SEDAR (www.sedar.com).

ITEM 11 - RESALE RESTRICTIONS

There is no market for the Offered Units and none is expected to develop and, therefore, it may be difficult or impossible for Unitholders to sell the Offered Units.

The Offered Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Offered Units unless you comply with an exemption from the prospectus requirements under applicable securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Partnership becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) the Partnership has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- (b) you have held these securities for at least twelve months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Since the Partnership is not a reporting issuer and has no intention to become a reporting issuer in any province or territory, the applicable hold period for Subscribers may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in a Subscriber having to hold the Offered Units acquired under the Offering for an indefinite period of time.

The General Partner must approve of any proposed disposition of Units. The LP Agreement provides that no Transfer or other disposition of Units shall be effective unless the transferor provides the proper documentation described in the LP Agreement to the General Partner. Units may not be transferred to a person that is a "non-resident" of Canada within the meaning of the Income Tax Act or is not a Permitted Holder. Unless already a Limited Partner, the person to whom Units are being transferred must become a Limited Partner by becoming party to, and bound by, the LP Agreement. See Item 2.7.1 - *LP Agreement - Restriction on Transfers or Transmissions*.

The foregoing is a summary only of resale restrictions relevant to a purchaser of the securities offered hereunder. It is not intended to be exhaustive. All Subscribers under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 12 - PURCHASERS' RIGHTS

12.1 Statements Regarding Purchasers' Rights

If you purchase Offered Units, you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Offered Units pursuant to an exemption from the prospectus requirements other than the offering memorandum exemption in Section 2.9 of NI 45-106. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106, and accordingly, the rights below are not applicable to residents of Québec. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase the Offered Units. To do so, you must send a notice to us by midnight on the second Business Day after you sign the agreement to buy the Offered Units.

Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces and territories of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defenses and limitations contained under applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces and territories of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the Partnership.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every promoter of the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum, every person or company whose consent has been filed respecting the offering but only with respect to reports, opinions or statements that have been made by them, every person who or company that signed this Offering Memorandum and every person who or company that sells securities on behalf of the Partnership under this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the Partnership.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Purchasers in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two years after the date you purchased the securities.

Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, you have a right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the Partnership.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Québec

Notwithstanding that the *Securities Act* (Québec) does not provide, or require the Partnership to provide, to purchasers resident in Québec with any statutory rights of action in circumstances where this Offering Memorandum contains a misrepresentation, the Partnership hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.

Rights of Purchasers in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to enforce the right of action discussed above not later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Purchasers in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the Partnership.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Purchasers in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three years after the date you purchased the securities.

Rights of Purchasers in Prince Edward Island, Northwest Territories, Yukon and Nunavut

If you are a resident of Prince Edward Island, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Partnership, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three years after the date you purchased the securities.

12.2 Cautionary Statement Regarding Report, Statement or Opinion by Expert

This Offering Memorandum includes: (i) the section entitled "*Certain Income Tax Consequences*" prepared by Norton Rose Fulbright Canada LLP, effective as of the date of this Offering Memorandum; and (ii) the audited financial statements of the Partnership for the year ended December 31, 2022 with comparative information for the period ended December 31, 2021 and accompanying independent auditors' report prepared by RSM Canada LLP. You do not have a statutory right of action against these parties for a misrepresentation in the Offering Memorandum. You should consult with a legal adviser for further information.

ITEM 13 - FINANCIAL STATEMENTS

The audited financial statements of the Partnership are set out below.

Veripath Farmland LP

Financial Statements

December 31, 2022

(expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Veripath Farmland LP

Opinion

We have audited the financial statements of Veripath Farmland LP (the "Partnership"), which comprise the statement of financial position as at December 31, 2022 and 2021 and the statements of income (loss) and comprehensive income (loss), equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
April 28, 2023
Calgary, Alberta

Veripath Farmland LP

Statement of Financial Position

(expressed in Canadian dollars)

	December 31, 2022	December 31, 2021
Assets		
Current assets		
Cash (note 11(b))	\$ 1,260,034	\$ 12,281,912
Accounts receivable (note 10)	47,747	78,375
Due from related parties (note 4(a))	30,041	61,567
Prepaid expenses	<u>31,282</u>	<u>5,706</u>
Total current assets	1,369,104	12,427,560
Investment properties (note 5)	81,507,344	50,390,711
Intangible assets (note 6)	<u>213,852</u>	<u>147,631</u>
Total assets	<u>\$ 83,090,300</u>	<u>\$ 62,965,902</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 489,378	\$ 212,405
Performance distribution payable (note 7)	300,441	100
Due to related parties (note 4(a))	205,296	68,912
Deferred revenue	34,222	7,506
Demand loan (note 8)	<u>10,000,000</u>	<u>20,600,000</u>
Total current liabilities	<u>11,029,337</u>	<u>20,888,923</u>
Equity		
Equity attributable to partners (note 9)	<u>72,060,963</u>	<u>42,076,979</u>
Total liabilities and equity	<u>\$ 83,090,300</u>	<u>\$ 62,965,902</u>

Commitment (note 4)
Subsequent events (note 14)

See accompanying notes to the financial statements.

Approved by Veripath Farmland GP Ltd., as general partner

(signed) "Barclay Laughland"

Director of general partner

Veripath Farmland LP

Statement of Income (Loss) and Comprehensive Income (Loss)

(expressed in Canadian dollars)

	Year ended December 31, 2022	Year ended December 31, 2021
Rental revenues (note 10)	\$ 2,020,789	\$ 1,687,931
Direct operating costs	<u>(195,590)</u>	<u>(169,141)</u>
Income from direct rental operations	<u>1,825,199</u>	<u>1,518,790</u>
Expenses		
Management fees (note 4(c))	1,013,786	655,942
General and administrative	657,700	309,750
Depreciation (note 5 and 6)	<u>25,840</u>	<u>-</u>
Total expenses	<u>1,697,326</u>	<u>965,692</u>
Income from operations	127,873	553,098
Finance expense (note 8)	<u>411,576</u>	<u>495,090</u>
Income (loss) and comprehensive income (loss)	<u><u>\$ (283,703)</u></u>	<u><u>\$ 58,008</u></u>

See accompanying notes to the financial statements.

Veripath Farmland LP

Statement of Equity

(expressed in Canadian dollars)

	Year ended December 31, 2022	Year ended December 31, 2021
Total		
Equity attributable to Partners, beginning of year	\$ 42,076,979	\$ 26,604,180
Units issued, net of issue costs	31,071,449	15,428,228
Units redeemed	(679,615)	(13,437)
Distributions	(124,147)	-
Income (loss) and comprehensive income (loss)	<u>(283,703)</u>	<u>58,008</u>
Equity attributable to Partners, end of year	<u>\$ 72,060,963</u>	<u>\$ 42,076,979</u>
Series A - Limited Partner		
Equity attributable to Unitholders, beginning of year	\$ 57,420	\$ -
Units issued, net of issue costs	234,648	57,382
Income (loss) and comprehensive income (loss)	<u>(789)</u>	<u>38</u>
Equity attributable Unitholders, end of year	<u>\$ 291,279</u>	<u>\$ 57,420</u>
Series A2 - Limited Partner		
Equity attributable to Unitholders, beginning of year	-	-
Units issued, net of issue costs	8,844,733	-
Loss and comprehensive loss	<u>(9,359)</u>	<u>-</u>
Equity attributable to Unitholders, end of year	<u>8,835,374</u>	<u>-</u>
Series M - Limited Partner		
Equity attributable to Unitholders, beginning of year	\$ 299,341	\$ -
Units issued, net of issue costs	-	299,389
Loss and comprehensive loss	<u>(1,770)</u>	<u>(48)</u>
Equity attributable Unitholders, end of year	<u>\$ 297,571</u>	<u>\$ 299,341</u>
Series P - Limited Partner		
Equity attributable to Unitholders, beginning of year	\$ 1,309,391	\$ -
Units issued, net of issue costs	-	1,309,079
Units redeemed	(148,500)	-
Distributions	(5,096)	-
Income (loss) and comprehensive income (loss)	<u>(6,279)</u>	<u>312</u>
Equity attributable Unitholders, end of year	<u>\$ 1,149,516</u>	<u>\$ 1,309,391</u>
Series W - Limited Partner		
Equity attributable to Unitholders, beginning of year	\$ 38,754,835	\$ 26,604,171
Units issued, net of issue costs	19,232,771	12,092,682
Units redeemed	(385,000)	-
Distributions	(112,292)	-
Income (loss) and comprehensive income (loss)	<u>(250,779)</u>	<u>57,982</u>
Equity attributable Unitholders, end of year	<u>\$ 57,239,535</u>	<u>\$ 38,754,835</u>
Series W2 - Limited Partner		
Equity attributable to Unitholders, beginning of year	\$ 1,655,982	\$ -
Units issued, net of issue costs	2,759,297	1,669,696
Units redeemed	(146,115)	(13,437)
Distributions	(6,759)	-
Loss and comprehensive loss	<u>(14,727)</u>	<u>(277)</u>
Equity attributable Unitholders, end of year	<u>\$ 4,247,678</u>	<u>\$ 1,655,982</u>
General Partner		
Equity attributable to the General Partner, beginning of year	\$ 10	\$ 9
Income (loss) and comprehensive income (loss)	<u>(1)</u>	<u>1</u>
Equity attributable to the General Partner, end of year	<u>\$ 9</u>	<u>\$ 10</u>

See accompanying notes to the financial statements.

Veripath Farmland LP

Statement of Cash Flows

(expressed in Canadian dollars)

	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows provided by (used in):		
Operating activities		
Net income (loss)	\$ (283,703)	\$ 58,008
Non-cash items		
Amortization of straight-line rent (note 10)	5,569	(21,568)
Depreciation expense	<u>25,840</u>	<u>-</u>
	<u>(252,294)</u>	<u>36,440</u>
Changes in non-cash working capital		
Accounts receivable	25,059	(15,059)
Prepaid expenses	(25,576)	38,304
Accounts payable and accrued liabilities	(17,728)	144,082
Due from (to) related parties	167,910	(1,972)
Deferred revenue	26,716	7,506
Performance distribution payable	<u>300,341</u>	<u>-</u>
Total changes in non-cash working capital	<u>476,722</u>	<u>172,861</u>
Cash flows provided by operating activities	<u>224,428</u>	<u>209,301</u>
Financing activities		
Issuance of units, net of issue costs (note 9)	22,059,346	15,428,228
Advances under demand loan	40,100,000	-
Repayments of demand loan	(50,700,000)	(5,500,000)
Unit redemption	(522,512)	(13,437)
Distributions to unitholders	(124,147)	-
Changes in non-cash working capital		
Accounts payable and accrued liabilities	<u>294,701</u>	<u>-</u>
Cash flows provided by financing activities	<u>11,107,388</u>	<u>9,914,791</u>
Investing activities		
Acquisition of investment properties	(22,291,158)	-
Acquisition of intangibles	(81,988)	(147,631)
Proceeds on sale of investment properties	<u>19,452</u>	<u>-</u>
Cash used in investing activities	<u>(22,353,694)</u>	<u>(147,631)</u>
Cash inflow (outflow)	(11,021,878)	9,976,461
Cash, beginning of year	<u>12,281,912</u>	<u>2,305,451</u>
Cash, end of year	<u>\$ 1,260,034</u>	<u>\$ 12,281,912</u>

Non-cash transaction (notes 5 and 9)

See accompanying notes to the financial statements.

Veripath Farmland LP

Notes to Financial Statements

As at and for the year ended December 31, 2022

(expressed in Canadian Dollars)

1. Nature of operations

Veripath Farmland GP Ltd. (the "General Partner") and Veripath Farmland Special LP (the "Special Limited Partner"), agreed to form a limited partnership named Veripath Farmland LP (the "Partnership") under a Limited Partnership Agreement dated January 18, 2019 as subsequently amended and restated on July 18, 2019, May 14, 2021, and September 19, 2022 (the "LPA"). The Partnership has been raising, and will continue to raise capital, both debt and equity, through borrowing activities and through the issuance of units of the Partnership ("Units") for the purposes of enabling the Partnership to pursue, carry-on and be engaged in any business activity which is directly or indirectly related to or otherwise connected with or ancillary to, farming, farmland or any interest in farmland including: purchase, ownership, leasing, development, management, cultivation, cropping, sale, financing or operations.

The Partnership is managed by Veripath Farmland Partners LP (the "Manager"), who was appointed by the General Partner. The General Partner has exclusive authority to manage the business and affairs of the Partnership. The powers, rights and duties of the General Partner in respect of the Partnership are set out in the LPA. The LPA provides that the General Partner has unlimited liability for the debts and obligations of the Partnership. The liability of each limited partner is limited to the aggregate amount of capital contributed and such limited partner's share of the undistributed income of the Partnership.

The beneficiaries of the unincorporated Partnership are the unitholders. The financial statements present only the assets, liabilities, and results of operations of the Partnership.

The address and principal place of business of the Partnership is #300, 4954 Richard Road S.W., Calgary, Alberta, T3E 6L1.

These financial statements of the Partnership were authorized for issue by the General Partner on April 28, 2023.

2. Basis of presentation

(a) Statement of compliance

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

(b) Basis of presentation

The significant accounting policies set out in note 3 have been applied consistently in all material aspects.

Veripath Farmland LP

Notes to Financial Statements

As at and for the year ended December 31, 2022

(expressed in Canadian Dollars)

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Partnership.

(e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions and judgments are continually reviewed and are based on historical experience and other factors, believed to be reasonable under the given circumstances. Actual outcomes may differ from these estimates under different assumptions and conditions. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant estimates, judgments and assumptions that management used in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognized in the Partnership's financial statements are as follows:

Estimates

Investment properties

The amount disclosed for the fair value of investment properties is determined by management in conjunction with independent valuation experts using recognized valuation techniques. The determination of the fair value of farmland and buildings require the use of judgments and estimates to assess investment property values based on market conditions existing at the reporting date. Depreciable investment property is amortized on a straight-line basis over its estimated useful life.

Performance distribution payable

The determination of the amounts recorded for the performance distribution payable require management to estimate the Net Asset Value (the "NAV"), as defined in the LPA, of the Partnership. NAV requires management to, among other things, make estimates related to market appreciation or depreciation of investment properties.

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3. Significant accounting policies

(a) Cash

Cash consists of deposits with Canadian chartered banks and amounts held in trust with legal counsel that are expected to be settled within three months.

(b) Financial instruments

Financial instruments are recognized when the Partnership becomes a party to the contractual provisions of the instrument.

Classification and measurement of financial assets

The initial classification of a financial asset depends on the Partnership's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Partnership classifies its financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss ("FVTPL"). Assets classified as amortized cost include assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flow that represent solely payments of principal and interest. The Partnership's financial assets being, cash, accounts receivable and due from related parties have been classified as amortized cost. These financial assets are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis.

The Partnership derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Impairment of financial assets

The Partnership recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. For accounts receivable, the Partnership applies the simplified approach as permitted by IFRS 9 which requires ECL to be recognized from initial recognition of receivables. Accounts receivable are categorized by common risk characteristics that are representative of the tenants' abilities to pay all amounts due in accordance with the contractual terms. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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Classification and measurement of financial liabilities

The Partnership initially classifies financial liabilities as measured at amortized cost or FVTPL. The Partnership's financial liabilities, being accounts payable and accrued liabilities, performance distribution payable, amounts due to related parties, and demand loan have been classified as amortized cost. These financial liabilities are initially recognized at fair value less attributable transaction costs and are subsequently measured at amortized cost using the effective interest method with interest expense recognized on an effective yield basis.

The Partnership derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Any gain or loss on derecognition is recognized in profit or loss.

(c) Investment properties

The Partnership accounts for its investment properties in accordance with IAS 40, "Investment Property" and has chosen to account for investment property using the cost method subsequent to initial recognition. Investment property includes farmland and buildings held to earn rental revenue and/or capital appreciation. Farmland and buildings investment property is initially recorded at cost, being the consideration paid, including commissions and professional fees, in respect to the purchase of such investment property. As land is not a depreciable asset, no depreciation is recorded and the carrying amount is reduced only if an impairment loss occurs. Buildings are depreciable assets and are amortized on a straight-line basis over their estimated useful life between 25 and 40 years.

The carrying amount of investment properties is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU).

The recoverable amount of an asset or a CGU is the greater of its value in use or fair value less costs of disposal. Fair value less costs of disposal is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less costs of disposal of farmland assets is generally determined by applying an estimate of market prices per acre to the acreage held. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from renting the farmland.

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An impairment loss is recognized in profit or loss if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates of the carrying amount only to the extent that the assets or CGU carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

Investment properties are derecognized when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss on disposal of an investment property is measured as the difference between the net disposal proceeds and the carrying amount of the investment property.

(d) Intangible assets

The Partnership's intangible assets consist of an accumulation of datasets including satellite data and agronomy data. Datasets are capitalized when the costs can be measured reliably and it is probable that the future economic benefits that are attributable to the asset will flow to the Partnership. Costs capitalized include purchase and acquisition costs, analysis costs paid to third parties and consulting costs directly attributable to the collection of the datasets. Costs that do not meet the definition of capitalization under IAS 38, Intangible Assets, are expensed as incurred.

Datasets are amortized on a straight-line basis over a useful life of 10 years. Amortization begins when the asset is available for use. Estimates of useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining amortization charges.

An intangible asset is derecognized upon disposal or when there is no future economic benefit to the Partnership. Gains or losses arising on the disposal of intangible assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss.

Intangible assets are tested for impairment on an annual basis or when events or changes in circumstances indicate that the carrying value may not be recoverable.

(e) Equity instruments

The Units are classified as equity. Incremental costs directly attributable to the issue of Units are recognized as a deduction from equity.

Distributions declared to Limited Partners are recognized as a liability in the period in which distributions are approved by the General Partner and are recorded as a reduction of equity attributable to partners.

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The Units are redeemable at the option of the holder and, therefore, are considered puttable instruments. However, based on the terms of the LPA, the General Partner has the ability to defer or suspend redemption indefinitely and therefore can avoid this obligation. Accordingly, the Units are classified and accounted for as equity instruments in the statement of financial position.

When the Partnership repurchases Units, those Units are deducted from equity and the associated Units are cancelled. No gain or loss is recorded and the consideration paid is recognized in equity.

(f) Leases

(i) As a lessee

At the inception of a contract, the Partnership assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, as defined in IFRS 16, for a period of time in exchange for consideration.

The Partnership does not have any leases where it is the lessee.

(ii) As a lessor

The Partnership has determined that when it acts as a lessor, its leases do not transfer substantially all of the risks and rewards incidental to ownership of the underlying assets and as a result, they are classified as operating leases. The operating leases contain one lease component and include only fixed payments. There are no service components within the leases. Accordingly, farmland, being the underlying assets are recognized in the statement of financial position. The Partnership recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as rental revenue, which includes the recovery of property taxes.

(g) Revenue recognition

Revenue consists of rent earned from farmland tenants under lease agreements and surface lease rentals. The Partnership has retained substantially all of the risks and benefits of ownership of its investment properties (farmland) and therefore accounts for leases with farmland tenants as operating leases. Revenue recognition under a lease commences when the tenant has the right to use the leased asset, which is typically when the farmland tenant takes possession of, or controls, the physical use of the leased property. Generally, this occurs on the lease commencement date. Revenue from the lease component is recognized as revenue on a straight-line basis over the term of the underlying leases. A straight-line rent receivable, which is included in accounts receivable, is recorded for the difference between the rental revenue recognized and the contractual rental amount received.

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(h) Income taxes

The taxable income or loss of the Partnership flows to the Limited Partners, Special Limited Partner and General Partner and therefore, there are no income taxes incurred by the Partnership.

4. Related party transactions

(a) Overview

	2022	2021
<u>Due to (from) related parties, net</u>		
Veripath Farmland Partners LP	\$ 205,296	\$ 68,912
Other	<u>(30,041)</u>	<u>(61,567)</u>
	<u>\$ 175,255</u>	<u>\$ 7,345</u>

Related party transactions are in the normal course of business and consist of reimbursement / payment of operating expenses made by or on behalf of related entities and management fees payable to the Manager. Related party balances have no fixed terms of repayment and are not subject to interest. The related parties are related by having directors, officers and management in common.

(b) Reimbursements

During the year ended December 31, 2022, related parties paid general and administrative costs of \$107,206 (2021 - \$102,129) on behalf of the Partnership. The settling of reimbursements due to/from the various related parties occurs on a regular basis throughout the year.

(c) Management agreement

The Partnership, the General Partner and the Manager have entered into a Management Agreement dated January 18, 2019, whereby, the Manager provides certain management and other services to the Partnership.

As stipulated and defined in the LPA (note 1), the Partnership is required to pay the Manager a monthly management fee, in respect of each Series, based on one-twelfth of the set percentage denoted in each Series creation instrument multiplied by the NAV of the Series of the Partnership.

To date, Series W, Series W2, Series P, Series M, Series A, and Series A2 units have been issued whereby a management fee per Series, respectively, of 1.75%, 1.75%, 1.85%, 0%, 1.95%, and 1.75% of NAV is payable to the Manager on an annual basis.

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For the year ended December 31, 2022, management fees paid totaled \$1,013,786 (2021 - \$655,942) of which \$205,296 (2021 - \$68,912) is included in the amount due to related parties at year end.

(d) Personnel and key management compensation

The Partnership paid salaries and benefits to employees of \$48,427 (2021 - \$35,791) for the year ended December 31, 2022 which has been included in general and administrative expenses. No other compensation was paid to executive officers as management is provided by the Manager with compensation in the form of a management fee as described above.

5. Investment properties

	Farmland	Buildings	Total
Cost			
January 1 and December 31, 2021	\$ 50,390,711	\$ -	\$ 50,390,711
Additions, including acquisition costs	29,243,158	1,903,000	31,146,158
Disposals	<u>(19,452)</u>	<u>-</u>	<u>(19,452)</u>
December 31, 2022	<u>\$ 79,614,417</u>	<u>\$ 1,903,000</u>	<u>\$ 81,517,417</u>
Accumulated depreciation			
Depreciation expense	<u>\$ -</u>	<u>\$ 10,073</u>	<u>\$ 10,073</u>
Balance, December 31, 2022	<u>\$ 79,614,417</u>	<u>\$ 1,892,927</u>	<u>\$ 81,507,344</u>
Balance, December 31, 2021	<u>\$ 50,390,711</u>	<u>\$ -</u>	<u>\$ 50,390,711</u>
Fair value, December 31, 2022	<u>\$ 91,740,000</u>	<u>\$ 3,160,000</u>	<u>\$ 94,900,000</u>
Fair value, December 31, 2021	<u>\$ 55,800,000</u>	<u>\$ -</u>	<u>\$ 55,800,000</u>

During the year ended December 31, 2022, the Partnership acquired certain investment property for total equity consideration of \$8,855,000 (2021 - cash consideration of \$20,250,000) from an entity that has common key management personnel with the Partnership. Fair value of the farmland acquired in this transaction was based on independent appraisals of the investment property. The fair value of the equity consideration was based on recent arm's length issuances of Partnership Series units resulting in 7,084,000 Series A2 Units issued.

The Partnership completed further acquisitions of investment properties from arm's length parties for total cash consideration of \$21,950,000 (2021 - \$6,664,796). Acquisition costs in respect of these acquisitions of \$341,158 (2021 - \$50,593) were capitalized as direct costs related to legal and land transfer fees.

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Rental revenues and direct operating expenses for the years ended December 31, 2022 and 2021 relate directly to the total investment properties. Management determined there was no impairment indicators at December 31, 2022 or 2021, accordingly no impairment test was required.

Fair value was determined by management based on an independent appraisal using the following approaches:

Direct comparison approach

This approach involves comparing properties similar to the agricultural properties for which fair value is being estimated and making adjustments to reconcile differences in size, location, nature and the quality of the property. The use of this approach is appropriate and provides a reliable indication of market value as there are a number of sales on agricultural properties bearing sufficient degrees of comparability available for farmland in the relevant regions where the Partnership owns land.

Cost approach

This approach is based upon the total capital required to replace the property, less the amount of accrued depreciation felt to be present.

6. Intangible assets

	2022	2021
Balance, beginning of year	\$ 147,631	\$ -
Acquisitions	81,988	147,631
Depreciation	<u>(15,767)</u>	<u>-</u>
Balance, end of year	<u>\$ 213,852</u>	<u>\$ 147,631</u>

7. Performance distribution

In accordance with the LPA, the Partnership is obligated to pay an annual performance distribution (the "Performance Distribution"), in respect of each series of Units (each a "Series"). Currently, the Series with issued and outstanding Units are Series W, W2, P, M, A, and A2. The calculation of the Performance Distribution in respect of each such Series may be generally described as follows:

- the Performance Distribution percentage of such Series multiplied by;
- the positive difference, if any, between the NAV per Unit of such Series and the Adjusted Highwater Mark (as defined in the LPA) for such Series, multiplied by;
- the average number of Units of such Series which are outstanding.

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The Performance Distribution percentage associated with each Series issued is included in note 9.

At December 31, 2022, a Performance Distribution has been accrued as management determined the NAV per unit for all Series was more than the Adjusted Highwater Mark resulting in a Performance Distribution of \$300,441 (2021 – \$NIL). This amount has been included in general and administrative expenses for the year ended December 31, 2022.

8. Demand loan

The Partnership has a letter agreement with a Canadian chartered bank. The letter agreement allows the Partnership to draw on two facilities (the "Facilities").

- (a) Facility 1 is a demand revolving credit facility available to a maximum of the lesser of \$30,000,000 or 50% of the fair market value of the investment properties as determined by an independent appraiser and is to be used for general working capital purposes and corporate requirements including financing farmland purchases. The current maximum available to be drawn at December 31, 2022 is \$30,000,000.

Facility 1 is available by way of:

- Direct advances, which will bear interest at the Canadian chartered bank prime rate plus 0.25% per annum, or
- The issuance of Bankers' Acceptances which are subject to the Bankers' Acceptances lending rate plus a stamping fee of 1.50%

	2022	2021
Balance, beginning of year	\$ 20,600,000	\$ 26,100,000
Advances	40,100,000	-
Repayments	<u>(50,700,000)</u>	<u>(5,500,000)</u>
Balance, end of year	<u>\$ 10,000,000</u>	<u>\$ 20,600,000</u>

Interest paid on advances drawn during the year ended December 31, 2022 totaled \$411,576 (2021 - \$495,090).

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(b) Facility 2 is a treasury risk management facility for up to \$1,500,000 in notional risk content to facilitate hedging of interest rates and foreign exchange risk. At December 31, 2022 and 2021, Facility 2 had not been utilized by the Partnership.

(c) Security and covenants

The Facilities are secured, including by the following:

- first-ranking security interest on all present and after acquired property of the Partnership;
- guarantee from the General Partner to the lender of all the obligations of the Partnership.

The Partnership is subject to maintaining a financial ratio covenant, Senior Funded Debt to Appraised Value (as defined in the letter agreement). This ratio cannot at any time exceed 50%.

The Partnership was in compliance with the financial covenant at all times during 2022 and 2021.

9. Equity

Authorized: Unlimited number of Series, and unlimited number of Units in each Series

Each Unit of a specific Series represents a beneficial interest in all the assets and undertakings of the Partnership (with the exception of the General Partner's interest and the interest of the Special Limited Partner (sole entitlement is to the Performance Distribution)), with such interest being equal to that of each other Unit of that Series, regardless of the price at which the Unit was issued. Each Unit entitles the holder thereof to one vote in respect of each Unit held of a particular Series and to receive non-cumulative distributions if, and when, declared by the General Partner. Each Unit shall entitle the holder to share in the net income or loss, distributions, and returns of capital of that particular Series of the Partnership. In the event of the dissolution of the Partnership, the unitholders shall be entitled to receive, and have allocated to them, a share in all the capital and other monies and properties available for distribution to the specific Series in which they have invested.

All Units within a Series are redeemable by the unitholder at such times and upon such terms as are set forth in the LPA and the series creation instrument applicable to such Series, with the redemption price determined as an amount equal to the NAV per unit of the applicable Series.

The NAV of each Series is computed by calculating the value of the Series' proportionate share of the Partnership's assets less the Series' proportionate share of the Partnership's common fund liabilities (which includes common fund expenses) and less Series-specific liabilities (which includes expenses directly attributable to a Series).

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The Partnership has created seven Series of Units which have the following terms and conditions applicable to each Series. Series A Units consist of an issue and redemption price of NAV per Unit, management fee rate of 1.95%, a performance distribution rate of 18%, and a hurdle rate of 5% with earliest redemption beginning with the last day of each calendar year after the fourth anniversary of the date of issuance. Series P Units consist of an issue and redemption price of NAV per Unit, management fee rate of 1.85%, a performance distribution rate of 16%, and a hurdle rate of 6% with earliest redemption beginning with the last day of each calendar year after the fourth anniversary of the date of issuance. Series W Units consist of an issue and redemption price of NAV per Unit, management fee rate of 1.75%, a performance distribution rate of 12%, and a hurdle rate of 8% with earliest redemption beginning with the last day at any calendar quarter subsequent to the three year anniversary of the date of issuance. Series W2 Units consist of an issue redemption price of NAV per Unit, management fee rate of 1.75%, a performance distribution rate of 12%, and a hurdle rate of 7% with earliest redemption beginning with the last day of any calendar quarter subsequent to the three year anniversary of the date of issuance. Series M Units consist of an issue and redemption price of NAV per Unit, management fee rate of 0%, a performance distribution rate of 0%, and a hurdle rate of 0% with earliest redemption beginning with the last day of any calendar quarter subsequent to the one year anniversary of the date of issuance. Series A2 Units consist of an issue and redemption price of NAV per Unit, management fee rate of 1.75%, a performance distribution rate of 18%, and a hurdle rate of 5% with earliest redemption on March 31, 2023 and on the last day of any calendar quarter thereafter. For the year ending December 31, 2022, the payment of each of the management fees and the performance fees otherwise payable related to the Series A2 Units have been waived by the Manager and the Special Limited Partner of the Partnership, respectively.

(a) Outstanding - Series Units

During the year, the Partnership issued the following Limited Partner Units by Series:

	Series A	Series A2	Series M	Series P	Series W	Series W2	Total Limited Partner Units Outstanding
Units outstanding, December 31, 2020	-	-	-	-	26,870,069.0231	-	26,870,069.0231
Units issued	50,991.3506	-	300,000.0000	1,189,170.8508	10,561,527.1671	1,446,444.8777	13,548,134.2462
Units redeemed	-	-	-	-	-	(11,617.1003)	(11,617.1003)
Units outstanding, December 31, 2021	50,991.3506	-	300,000.0000	1,189,170.8508	37,431,596.1902	1,434,827.7774	40,406,586.1690
Units issued	198,313.6276	7,084,000.0000	-	-	15,501,706.6676	2,271,855.5920	25,055,875.8872
Units redeemed	-	-	-	(133,052.5939)	(382,984.0315)	(124,194.1656)	(640,230.7910)
Units outstanding, December 31, 2022	249,304.9782	7,084,000.0000	300,000.0000	1,056,118.2569	52,550,318.8263	3,582,489.2038	64,822,231.2652

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(b) Partnership distributions and allocations

The allocation of profits and losses to the General Partner, Special Limited Partner and the limited partners is made in accordance with the terms of the LPA. In a given fiscal period, the profits or losses shall be allocated by the General Partner, in its discretion, among each Series. The profit or loss allocated to a Series shall then be allocated, in the discretion of the General Partner, as follows:

- first, profit (if any) shall be allocated in an amount equal to the Performance Distribution, if any, in respect of the Series (note 7); and then
- 0.001% of the remaining profit or loss shall be allocated to the General Partner; and then
- remaining profit or loss shall be allocated to the unitholders of the Series pro rata in accordance with the number of Units of such Series held by each limited partner of that Series.

In general, distributions may be declared from time to time in the discretion of the General Partner and such distributable cash is then to be paid as follows:

- 0.001% of the distribution amount shall be allocated to the General Partner; and then
- of the distribution amount which is allocated to a Series, each limited partner holding Units of that Series shall be entitled to a pro rata share of the distribution amount based upon its proportionate interest in such Series as represented by the number of Units of that Series held by such limited partner.

(c) Capital contributions

Upon the formation of the Partnership (note 1), the General Partner contributed \$10 and the Special Limited Partner contributed \$100 in accordance with the terms of the LPA.

10. Revenues

Rental revenues are comprised of the following:

	2022	2021
Farmland tenant rental	\$ 2,008,264	\$ 1,651,962
Surface lease rental	18,094	14,401
Straight-line rent adjustments	<u>(5,569)</u>	<u>21,568</u>
	<u>\$ 2,020,789</u>	<u>\$ 1,687,931</u>

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For the year ended December 31, 2022, there were three (2021 - three) land tenants that accounted for more than 42% (2021 - 45%) of the Partnership's total rental revenue.

Accounts receivable includes straight-line rent receivable being the difference between the rental revenue recognized and the contractual rental amount received. The straight-line rent receivable balance at December 31, 2022 is \$47,747 (2021 - \$53,316).

The Partnership has contracted to receive the following future minimum lease payments including lease agreements entered into subsequent to year-end related to acquisitions (note 14) under non-cancellable operating leases related to farmland tenants. The leases have various terms.

	2022
Not later than one year	\$ 2,691,812
Later than one year and not later than five years	<u>5,257,441</u>
Total future minimum lease payments	<u>\$ 7,949,253</u>

11. Financial risk management

(a) Risk management overview

The Partnership's activities expose it to a variety of financial risks that arise from its financial instruments and its operating, investing and financing activities such as credit, liquidity and market risk. This note presents information about the Partnership's exposure to each of the above risks and the Partnership's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements. The Partnership employs risk management strategies and policies to ensure that any exposure to risk are in compliance with the Partnership's business objectives and risk tolerance levels. The General Partner has the overall responsibility for the establishment and oversight of the Partnership's risk management framework and the responsibility to administer and monitor these risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Partnership if a tenant or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of cash and due from related parties represents the maximum credit exposure being \$1,290,075 (2021 - \$12,343,479).

The Partnership manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

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At December 31, 2022, the Partnership had \$533,736 of funds held in trust with legal counsel in conjunction with advance proceeds paid on the purchase of investment property. Subsequent to year-end, \$136,500 has been released to the vendor in conjunction with the acquisition in note 14. The amounts held in trust are refundable pending non-completion of the purchase and sale agreements.

The Partnership seeks to mitigate the credit exposure on amounts due from tenants by screening for reputable farm operators as tenants and by ensuring that a significant percentage (in excess of 90%) of the lease payments are paid in the spring of the year and not in the fall at a time when the tenant may be cash constrained if they had operational difficulties during that crop year. The Partnership considers all amounts which are not paid by the date stipulated in the lease agreement past due. At December 31, 2022 and 2021, the Partnership did not have any amounts due from tenants.

(c) Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they become due. The Partnership manages its liquidity by monitoring cash flows from operating activities and managing maturity profiles of financial assets and liabilities. These activities are intended to ensure sufficient funds are available to meet its financial obligations when due. The Partnership's financial liabilities consist of accounts payable and accrued liabilities, performance distribution payable, amounts due to related parties, and the demand loan. The amounts included in the accounts payable, accrued liabilities, performance distribution payable, and amounts due to related parties of \$995,115 are all due and payable within one year. The Partnership typically settles these accounts monthly. The demand loan, although due on demand upon notice by the lender, does not require any principal repayments and is subject to monthly interest payments. The Partnership's intention is to repay the demand loan with cash flows generated from operating activities or through future equity financing. The Partnership is not aware of any indications that the lender would demand repayment of the loan within the next fiscal year and is currently in compliance with all financial and non-financial covenants of the demand loan agreements.

(d) Market risk

Market risk is the risk that changes in market conditions will affect the Partnership's net earnings or the value of financial instruments and are largely outside the control of the Partnership. The objective of the Partnership is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns. The Partnership is not exposed to any significant market risks.

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(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Partnership is exposed to interest rate risk to the extent the changes in market interest rates will impact the Partnership's demand loan that has a floating interest rate.

12. Fair values

Certain of the Partnership's disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for disclosure purposes based on the following methods:

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy:

Level 1 - fair value measurements are based on quoted prices observed in active markets for identical assets or liabilities. The Partnership has no financial instruments measured on this basis.

Level 2 - fair value measurements are based on valuation techniques where the significant inputs are derived from quoted indices with identical or similar instruments. The Partnership has no financial instruments measured on this basis.

Level 3 - fair value measurements are based on valuations techniques with significant unobservable market inputs. The fair value of investment properties has been disclosed based on Level 3 measurements. Further information regarding the determination of fair value for investment properties is included in note 5.

The carrying value of cash and accounts payable and accrued liabilities, performance distribution payable, amounts due to (from) related parties and demand loan approximate fair value due to the short term nature of those instruments.

13. Capital management

The Partnership's objective is to maintain access to sources of capital, including working capital, with which to finance its operations. The Partnership manages its capital structure and makes changes to it in light of changes in economic conditions, opportunities for accretive acquisitions and the risk characteristics of the underlying investments. The Partnership has balanced its overall capital structure through Unit issuances and debt financing as deemed appropriate in the circumstances.

The Partnership defines its capital as bank debt and total equity as summarized below:

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	2022	2021
Demand loan	\$ 10,000,000	\$ 20,600,000
Total equity	<u>72,060,963</u>	<u>42,076,979</u>
Total capital managed	<u>\$ 82,060,963</u>	<u>\$ 62,676,979</u>

Overall capital has increased from December 31, 2021 as a result of additional equity raised offset by the purchase of further investment properties.

The Partnership has no externally imposed capital requirements relating to its equity. The Partnership has externally imposed covenants relating to the demand loan, outlined in note 8.

There have been no changes to the Partnership's capital management objectives during 2022.

14. Subsequent events

Subsequent to December 31, 2022, the Partnership completed the following transactions:

- purchased additional investment property for cash proceeds of \$5,695,000;
- issued additional equity as follows:

	<u>Number of units</u>	<u>Amount</u>
Series W	2,612,391.3865	\$ 3,457,500
Series W2	152,497.1405	\$ 200,000
Series A	16,265.9865	\$ 20,500
Series M	697,471.6648	\$ 800,000

ITEM 14 - DATE AND CERTIFICATE

DATED: May 24, 2023

This Offering Memorandum does not contain a misrepresentation.

VERIPATH FARMLAND LP, by its general partner, VERIPATH FARMLAND GP LTD.

(signed) "Stephen Johnston"

Stephen Johnston
Director

(signed) "Barclay Laughland"

Barclay Laughland
Director

VERIPATH FARMLAND GP LTD., as general partner

(signed) "Stephen Johnston"

Stephen Johnston
Director

(signed) "Barclay Laughland"

Barclay Laughland
Director

By the Board of Directors of VERIPATH FARMLAND GP LTD.

(signed) "Stephen Johnston"

Stephen Johnston
Director

(signed) "Barclay Laughland"

Barclay Laughland
Director