WOODFINE PROFESSIONAL CENTRES LIMITED PARTNERSHIP

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2016

(Expressed in Canadian dollars)

April 28, 2017

Independent Auditor's Report

To the Board of Directors of
Woodfine Professional Centres Inc., in its capacity as General Partner of
Woodfine Professional Centres Limited Partnership

We have audited the accompanying consolidated financial statements of Woodfine Professional Centres Limited Partnership, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015 and the consolidated statements of loss and comprehensive loss, changes in unitholders' equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

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

PricewaterhouseCoopers LLP
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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Woodfine Professional Centres Limited Partnership as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

(Expressed in Canadian dollars)

	Notes	At December 31, 2016 $	At December 31, 2015 $
ASSETS			
Current assets			
Cash		31,579	332,357
Interest receivable	5, 6	38,795	-
Deposits for land purchases	5	-	375,000
		70,374	707,357
Non-current assets			
Loan to Woodfine Properties Inc.	6	875,000	250,000
Total assets		**945,374**	**957,357**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		17,054	15,209
EQUITY			
Unitholders' equity			
Partners' capital	7	1,111,200	1,111,200
Share-based payment reserve	2	1,266,156	1,199,042
Deficit		(1,449,036)	(1,368,094)
Total equity		928,320	942,148
Total liabilities and equity		**945,374**	**957,357**

Approved on behalf of Woodfine Professional Centres Limited Partnership by the Board of Directors of its General Partner, Woodfine Professional Centres Inc.

(Signed) Bruce Andrews
Bruce Andrews
Independent Director

(Signed) Peter M. Woodfine
Peter M. Woodfine
Director and Chief Executive Officer

(Expressed in Canadian dollars)

	Notes	For the year ended December 31, 2016 $	For the year ended December 31, 2015 $
Revenue			
Revenue from operations		-	-
Operating (expenses) income			
Share-based compensation	2	(67,114)	(245,682)
Professional fees	8	(42,571)	(36,391)
Advisory fees	8	(10,312)	(10,000)
Communication expense		(1,716)	(1,428)
Bank charges		(357)	(126)
		(122,070)	**(293,627)**
Other income			
Interest income		41,128	-
Loss and comprehensive loss		**(80,942)**	**(293,627)**

(Expressed in Canadian dollars)

	# Units	Partner Units $	Share-based payment reserve $	Deficit $	Total $
Balance at January 1, 2015	**11,112**	**1,111,200**	**953,360**	**(1,074,467)**	**990,093**
Net loss		-	-	(293,627)	(293,627)
Share-based compensation (note 2)		-	245,682	-	245,682
Balance at December 31, 2015	**11,112**	**1,111,200**	**1,199,042**	**(1,368,094)**	**942,148**
Net loss		-	-	(80,942)	(80,942)
Share-based compensation (note 2)		-	67,114	-	67,114
Balance at December 31, 2016	**11,112**	**1,111,200**	**1,266,156**	**(1,449,036)**	**928,320**

(Expressed in Canadian dollars)

	Notes	For the year ended December 31, 2016 $	For the year ended December 31, 2015 $
CASH (USED IN) PROVIDED BY:			
Operating activities			
Net loss for the period		(80,942)	(293,627)
Item not affecting cash:			
Share-based compensation	2	67,114	245,682
		(13,828)	(47,945)
Working capital changes:			
Interest receivable	6	(38,795)	-
Accrued liabilities		1,845	5,209
		(50,778)	(42,736)
Investing activities			
Loans to Woodfine Properties Inc.	6	(625,000)	(250,000)
Refund (payment) of deposits on land purchase	5	375,000	(375,000)
		(250,000)	(625,000)
Decrease in cash		(300,778)	(667,736)
Cash, beginning of the period		332,357	1,000,093
Cash, end of the period		31,579	332,357

1. Going concern

For the year ended December 31, 2016, Woodfine Professional Centres Limited Partnership ('the Limited Partnership') reported a loss of $80,942 (2015 - $293,627) and has an accumulated deficit of $1,449,036. In addition, the Partnership had no revenues from operations, and cash outflows from operating activities amounted to $54,917 for the year ended December 31, 2016 (2015 - $42,945).

At December 31, 2016, the Partnership had a cash balance of $31,579, of which $25,000 was loaned subsequent to year-end to Woodfine Properties Inc., a Corporation controlled by Peter Woodfine, the Promoter of the Limited Partnership (note 10). In addition $26,497 of the interest receivable at December 31, 2016 is over 90 days past due resulting in liquidity risk that the Limited Partnership may not be able to meet its obligations associated with its financial liabilities.

The Limited Partnership's ability to continue as a going concern is dependent upon the continuing support of the Woodfine Professional Centres Inc. (the "General Partner") and Woodfine Capital Projects Inc. (the "Promoter"), collection of its receivables, recovery of loans to Woodfine Properties Inc., and being able to raise financing through offerings of Partnership units. Should the Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Partnership was unable to realize its assets and settle its liabilities as a going concern in the normal course of operation. These adjustments could be material.

2. Nature of Operations

The Limited Partnership was formed under the laws of the Province of British Columbia pursuant to a limited partnership agreement between the General Partner and the Promoter, as the initial limited partner, dated August 17, 2012, which was amended and restated on December 1, 2016, as the sixth amended and restated limited partnership agreement (the "LPA").

The objective of the Limited Partnership is to provide long-term investors with a means of potentially achieving income, capital appreciation and long-term liquidity through participation in the ownership and development of four classes of Canadian commercial real estate projects:

WOODFINE PROFESSIONAL CENTRES means an institutional-quality office building, certified to comply with LEED core and shell, of three to five storeys newly constructed by the Partnership on a Qualified Investment owned by the Partnership, providing between 50,000 to 90,000 square feet of leasable area, designed to meet the space requirements of professional service providers in such fields as health care, accounting, law, engineering, and other specialties, and including at least three designated full-size surface parking stalls per 1,000 square feet of leasable area.

WOODFINE RETAIL SELECT BUILDINGS means a combination of one or more institutional-quality office buildings, certified to comply with LEED core and shell, newly constructed by the Partnership on a Qualified Investment owned by the Partnership, providing between 10,000 to 25,000 square feet of space to national tenants such as banks, tenants that require free-standing space, engineering companies, medical clinics, or a "High Street" strip of end users, and including at least four designated full-size surface parking stalls per 1,000 square feet of leasable area.

WOODFINE SUBURBAN OFFICES means an institutional-quality office building, certified to comply with LEED core and shell, of six to fifteen storeys newly constructed by the Partnership on a Qualified Investment owned by the Partnership, providing floor plates ranging in size from 15,000 to 25,000 square feet, designed to meet the space requirements of professional service providers in such fields as health care, accounting, law, engineering, and other specialties, and including a combination of at least three designated full-size surface and underground parking stalls per 1,000 square feet of leasable area.

WOODFINE TECH INDUSTRIAL BUILDINGS means a combination of one or more industrial/commercial buildings, certified to comply with LEED core and shell, newly constructed by the Partnership on a Qualified Investment owned by the Partnership, providing individual bays ranging in size from 2,000 to 10,000 square feet, designed to meet the space requirements of industrial/commercial owner operators, and including at least two designated full-size surface parking stalls per 1,000 square feet of leasable area.

The consolidated statement of financial position presents the financial position of the Limited Partnership and as such, does not include all of the assets and liabilities of the partners.

The Limited Partnership's registered office is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2, and its principal place of business is located at 2300–1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

The Limited Partnership filed a final prospectus dated October 21, 2013 and several subsequent plans to raise the maximum gross funded value by way of private placement to accredited investors in all jurisdictions in Canada. Details of pervious offerings are available on www.sedar.com.

Most recently, on January 25, 2017, the Limited Partnership announced a plan to raise maximum gross proceeds of up to $250,000,000 through the private placement of limited partnership Units at $100 per Unit to long-term investors in exempt markets (the "Offering"). The proposed Offering consists of a maximum of 2,500,000 Units, and a maximum of 277,750 Units for cash consideration of $0.001 per Unit to Benetti Holdings Inc. ('Benetti') (0.11111 Units for each Unit sold to investors pursuant to the Offering, as further described below). The minimum subscription is $250,000 per investor, and a first closing must occur by June 30, 2017.

A cash commission of up to 6% is payable to licensed agents who make sales of Units, and a referral fee of the same amount is payable, where permissible, to other persons who introduce purchasers of Units to the Limited Partnership (except that no referral fee is payable to Peter M. Woodfine, his family members and their associates).

Seed capital of $1,000,000 has been contributed. Woodfine Management Corp., a subsidiary of the promoter, has established an office in New York, NY, for purposes related to the business, including financing.

Upon the first closing of the Offering, and at subsequent closings if more than one closing occurs, Benetti will be issued Units equal to 11.111% of the number of Units issued for cash consideration of $0.001 per Unit pursuant to the LPA. Although the issuance of Units to Benetti is conditional on the closing of the Offering, these Units are considered share-based payments for services provided by Benetti related to the Offering and as founder of the business of the Limited Partnership. Under IFRS 2 Share-based Payment, these Units are required to be measured at fair value, assumed to be $100 per Unit, with share-based compensation expense being recognized on a straight-line basis from the date of the initial LPA describing the arrangement with Benetti to the estimated closing date of the Offering.

During the year ended December 31, 2016, the Limited Partnership recorded a share-based compensation expense of $67,114 (2015 - $245,682).

In determining share-based compensation for the period, management has assumed the issuance of 150,000 Units resulting in 16,667 Units issued to Benetti and a closing date of December 31, 2017. Changes in these assumptions could materially affect the amount and timing of recognition of share-based compensation.

If the maximum 2,500,000 Limited Partnership Units were issued under the Offering, this would have resulted in share-based compensation expense of $5,181,735 being recorded for the year ended December 31, 2016 (year ended December 31, 2015—5,181,735).

Any Units issued to Benetti will be held in escrow and Benetti will not obtain unrestricted ownership of the Units and will not have the right to transfer its Units to a third-party purchaser until the earlier of: (i) the limited partners having received distributions from the Limited Partnership equal to 100% of their initial investment in Units, (ii) the closing of a final sale of all or substantially all of the assets of the Limited Partnership, or (iii) the sale of all of Benetti's Units to the owner or owners of at least 75% of the outstanding Units. The Units held by Benetti will receive the same per-Unit distributions as all Units issued to the investors under the Offering.

Certain directors and officers of the Limited Partnership, and certain service providers and/or their family members have an ownership interest in the Promoter, with no director, officer or service provider holding more than a 1% interest in the Promoter except Peter M. Woodfine, who indirectly holds a significant interest.

The Promoter is responsible for the costs of the Offering, and the Limited Partnership will make a contribution to these costs equal to 1% of the gross proceeds of the Offering. These costs include all tax, accounting, marketing and legal fees and disbursements, the agent's expenses that may be payable by the Limited Partnership in connection with the Offering in addition to its sales commission, reasonable out-of-pocket expenses incurred by the General Partner, all other costs reasonably incurred in connection with the formation of the Limited Partnership and the Offering of Units, and all other expenses reasonably incurred in connection with the formation or capitalization of the Limited Partnership, but do not include agent's fees, which are an additional expense. The Limited Partnership's contribution to expenses will be $100,000 in the case of the sale of 100,000 Units under an Offering or series of Offering and $2,500,000 in the case of the sale of the maximum number of permitted Units under the LPA.

The General Partner has retained Woodfine Advisors Inc. (the "Advisor"), a related party under common control, to provide procurement, development and management services relating to the Limited Partnership's properties. Once the General Partner has approved a proposal presented by the Advisor for the acquisition and development of a property, the Limited Partnership will reimburse the Advisor for the costs and third-party expenses incurred in performing advisory services in relation to the approved project. Approved third-party expenses will include the fees, at market rates, of management companies retained by the Advisor to manage the Limited Partnership's properties. The Advisor must cover its own costs and expenses where it proposes an acquisition or development of a site by the Limited Partnership that is not approved by the General Partner.

The Limited Partnership will pay to the Advisor an annual advisory fee equal to 1% per year of the aggregate gross proceeds that have been received by the Limited Partnership from the sale of Units ("Gross Funded Value"). The advisory fee is payable in 12 equal monthly instalments on the last day of each month. The amount of the advisory fee remains fixed once the closing of subscriptions under the anticipated agency agreement has occurred. The amount of the advisory fee is calculated as a fixed percentage of the Limited Partnership's subscribed capital (subject to increase for increases in the Canadian Consumer Price Index), and is not related to the value of the Limited Partnership's net assets, or to any increase in that value that may occur.

For the year ended December 31, 2016, an amount of $10,312 was charged to the Limited Partnership as advisory fee (year ended December 31, 2015—$10,000).

The independent directors of the General Partner will each be paid an annual fee ranging from $10,000 in the case of an Offering of 100,000 Units to $35,000 in the case of a maximum Offering of 2,500,000 Units. The Limited Partnership does not compensate the non-independent directors or the executive officers of the General Partner, or the directors or executive officers of the Promoter, the Advisor or any other member of the Woodfine Group, except to the extent that they are compensated through the issuance of the Benetti Units described above.

3. Basis of Preparation

(a) Statement of compliance

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

These consolidated financial statements were approved for issue by the Board of Directors of the General Partner on April 18, 2017.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis.

These consolidated financial statements have been prepared on a going concern basis. The application of the going concern basis of presentation assumes that the Limited Partnership will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Based on management's assessment, the Limited Partnership will be able to continue as a going concern for the foreseeable future.

(c) Basis of consolidation

These consolidated financial statements include the accounts of Woodfine Professional Centres Limited Partnership and WCP TITLECO 3 Inc., WCP TITLECO 4 Inc. and WCP TITLECO 5 Inc. which are entities under common control incorporated to hold land to be developed by the Limited Partnership.

(d) Presentation and functional currency

The consolidated financial statements are presented in Canadian dollars, which is the Limited Partnership's functional currency.

(e) Significant accounting policies, judgments and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that will affect the application of accounting policies and the amounts reported in the consolidated financial statements during any reporting period. Actual results may differ from these estimates.

The significant area where management's judgment is applied in the preparation of these consolidated financial statements is the determination of share-based compensation. By its nature, the estimates used in determining share-based compensation are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be material (see note 2).

4. Significant Accounting Policies

(a) Cash

Cash consists of cash in hand. Cash is a financial instrument classified as loans and receivables, which is initially recorded at fair value and subsequently measured at amortized cost.

(b) Share-based payments

The Limited Partnership has entered into an arrangement to issue Units at a discount upon closing of an Offering of Units. The Limited Partnership recognizes share-based compensation expense in the consolidated statement of loss and comprehensive loss and a share-based payment reserve in equity related to this arrangement at the estimated fair value of the discounted Units expected to be issued over the estimated period to the closing of an Offering.

(c) Obligations of the Limited Partnership

Liabilities of the Limited Partnership are recognized in the consolidated statement of financial position when the Limited Partnership has a current legal or constructive obligation as a result of past events, which is more likely than not to cause an outflow of future economic benefits and can be estimated reliably on the basis of best estimates. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted where the effect is material.

(d) Income taxes

The earnings of the Limited Partnership are not subject to taxation directly but are the responsibility of the partners, and their liability for taxes is not reflected herein.

Tax expense relating to incorporated entities described in Note 3(c) comprises current and deferred tax. Tax is recognized in the consolidated statement of loss except to the extent it relates to items recognized in other comprehensive loss or directly in equity. Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantively enacted at the year-end, and includes any adjustments to tax payable in respect of previous years.

(e) Financial instruments

Financial instruments are recognized when the Limited Partnership becomes a party to the contractual provisions of the instrument. The Limited Partnership's financial instruments consist of cash and cash equivalents, loans to Woodfine Properties Inc., and accounts payable and accrued liabilities. Financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Limited Partnership has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when the Limited Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and liability simultaneously.

Subsequent to initial recognition at fair value, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

- Loans and receivables

  The Limited Partnership has classified loans to Woodfine Properties Inc. as loans and receivables. Loans and receivables are subsequently measured at their amortized cost, using the effective interest method.

- Other financial liabilities

  The Limited Partnership has classified accounts payable and accrued liabilities as other financial liabilities measured at amortized cost.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(f) Impairment of financial assets

The Limited Partnership regularly assesses impairment of all its financial assets. Management considers whether the creditor is having significant financial difficulty or delinquency in required payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Any impairment is included in the current period consolidated statement of income.

The Limited Partnership reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was recognized.

5. Deposit for Land Purchases

On June 4, 2015, WCP TITLECO 3 Inc. (nominee of the Limited Partnership) entered into a purchase agreement to purchase 6.86 acres of land in Okotoks Alberta. The Limited Partnership paid a refundable deposit of $250,000 toward the purchase of this land.

This conditional purchase agreement expired on Monday, December 7, 2015.

On July 14, 2015, WCP TITLECO 4 Inc. (nominee of the Limited Partnership) entered into a purchase agreement to purchase five acres of land in Airdrie, Alberta. The Limited Partnership paid a refundable deposit of $125,000 toward the purchase of this land.

This conditional purchase agreement expired on Monday, January 11, 2016.

The deposits, including accrued interest of $2,294 have been returned to the Limited Partnership.

6. Loans to Woodfine Properties Inc.

The Partnership has advanced loans aggregating $875,000 for working capital purposes to Woodfine Properties Inc., a corporation controlled by Peter Woodfine, the Chief Executive Officer and a director of the Promoter and of the General Partner of the Partnership.

The loans carry interest at three percentage points above the Bank of Canada prime rate, payable quarterly. The interest rate floats for the first two years, and becomes fixed at the rate that is applicable on the second anniversary of the making of each loan. Interest only is payable for the first two years, and thereafter the principal of the loans is repayable in equal yearly instalments over a three-year period.

The loans were advanced as follows: November 30, 2015, $250,000; March 10, 2016, $300,000; and May 30, 2016, $325,000.

The total amount of interest accrual related to the loans issued to Woodfine Properties Inc. at December 31, 2016, is $38,795.

The Promoter has assigned to the Partnership as security for repayment of the loans the Promoter's right to reimbursement of offering costs that are one half the amount payable to the Promoter on each closing of the Offering.

The carrying value of these loans is considered to approximate fair values.

7. Partners' Capital

The Limited Partnership's authorized capital consists of up to 2,777,750 Units.

On the formation of the Limited Partnership, 1 Unit was issued to the Promoter, as the initial limited partner, for $100 cash. On December 31, 2014, the Limited Partnership issued 10,000 Units at $100 each to Woodfine Properties Inc. A total of 1,111 Limited Partnership Units at $0.001 each (11.111% of the aggregate issued Units) were also issued and placed into escrow in the name of Benetti Holdings Inc.

For the nine-month period ended September 30, 2016, no Units were issued.

8. Related-Party Transactions

For the year ended December 31, 2016, following significant transactions were carried out with related parties:

(a) An amount of $10,312, in advisory fee, equal to 1% of the gross funded value of the Limited Partnership (indexed for inflation), payable to the Advisor pursuant to the LPA.

(b) As per the LPA, an amount of $44,287 was charged by the General Partner to the Limited Partnership toward professional fees and communication expenses incurred by the General Partner on behalf of the Limited Partnership.

(c) An amount of $875,000 was loaned to Woodfine Properties Inc., a corporation controlled by Peter M. Woodfine, the Promoter of the Limited Partnership. Interest in the amount of $38,834 was accrued for the year ended December 31, 2016. See Note 6 for terms of the loan.

9. Financial Instruments

The Limited Partnership's activities expose it to the following financial risks:

(a) Credit risk

Credit risk is the risk of financial loss because a counterparty to a financial instrument fails to discharge its contractual obligations. Credit risk is managed by analyzing the credit worthiness of the counterparties to whom credit is extended. Credit risk arises from cash and cash equivalents, interest receivable and loan to Woodfine Properties Inc. The maximum exposure to credit risk is the total carrying value of these instruments. The interest receivable more than 90 days past due at December 31, 2016 was $26,497. The Limited Partnership believes there is minimal risk associated with the collection of these amounts as they are due from a related party.

(b) Liquidity risk

Liquidity risk is the risk the Limited Partnership will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. Liquidity risk is measured by reviewing the Limited Partnership's future net cash flows for the possibility of negative net cash flow. The Limited Partnership attempts to manage liquidity risk by ensuring cash flow forecasting is performed and monitored by management to ensure it has sufficient cash to meet operational needs. For further discussion, see Note 1.

10. Subsequent event

On April 14, 2017, an amount of $35,000 was loaned to Woodfine Properties Inc., a Corporation controlled by Peter Woodfine, the Promoter of the Limited Partnership. See Note 5 for terms of the loan.

WOODFINE PROFESSIONAL CENTRES LIMITED PARTNERSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the year ended December 31, 2016

(Expressed in Canadian dollars)

This management's discussion and analysis ("MD&A") should be read in conjunction with the condensed consolidated financial statements of Woodfine Professional Centres Limited Partnership (the "Limited Partnership") and related notes for the year ended December 31, 2016 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the Financial Statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated. This MD&A is dated April 28, 2017, and discloses specified information up to that date.

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Limited Partnership that are based on the beliefs of its management as well as assumptions made by and information currently available to the Limited Partnership. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Limited Partnership or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, the success of future fundraising, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the acquisition and development of the Limited Partnership's projects. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Limited Partnership to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Overall Activity and Performance in the Year

The Limited Partnership is focused on closing the sale of units of the Limited Partnership ("Units").

The comments in this MD&A relate principally to the events, transactions and activities that have occurred during the year ended December 31, 2016, and up to the date of this MD&A.

The Limited Partnership filed a final prospectus dated October 21, 2013 and several subsequent plans to raise the maximum gross funded value by way of private placement to accredited investors in all jurisdictions in Canada. Details of pervious offerings are available on www.sedar.com.

Most recently, on January 25, 2017, the Limited Partnership announced a plan to raise maximum gross proceeds of up to $250,000,000 through the private placement of limited partnership Units at $100 per Unit to long-term investors in exempt markets (the "Offering"). The proposed Offering consists of a maximum of 2,500,000 Units, and a maximum of 277,750 Units for cash consideration of $0.001 per Unit to Benetti (0.11111 Units for each Unit sold to investors pursuant to the Offering, as further described below). The minimum subscription is $250,000 per investor, and a first closing must occur by June 30, 2017.

A cash commission of up to 6% is payable to licensed agents who make sales of Units, and a referral fee of the same amount is payable, where permissible, to other persons who introduce purchasers of Units to the Limited Partnership (except that no referral fee is payable to Peter M. Woodfine, his family members and their associates).

Seed capital of $1,000,000 has been contributed. Woodfine Management Corp., a subsidiary of the Promoter, has established an office in New York, NY, for purposes related to the business, including financing.

Description of the Partnership and the Business

The Limited Partnership was formed under the laws of the Province of British Columbia pursuant to the limited partnership agreement between Woodfine Professional Centres Inc. (the "General Partner") and the Promoter, as the initial limited partner, dated August 17, 2012, which was amended and restated on December 1, 2016, as the sixth amended and restated limited partnership agreement (the "LPA").

The objective of the Limited Partnership is to provide long-term investors with a means of potentially achieving income, capital appreciation and long-term liquidity through participation in the ownership and development of four classes of Canadian commercial real estate projects.

Up until June 30, 2016, the business of the Limited Partnership comprised the development of Woodfine Professional Centres. At that date, the Limited Partnership announced the expansion of its business into three further classes, Woodfine Retail Select, Woodfine Suburban Office and Woodfine Tech Industrial. These classes are described below:

WOODFINE PROFESSIONAL CENTRE means an institutional-quality office building of three to five storeys, certified to comply with LEED core and shell standards, newly constructed by the Limited Partnership on a Qualified Investment owned by the Limited Partnership, providing 50,000 to 90,000 square feet of leasable area, designed to meet the space requirements of professional service providers in such fields as health care, accounting, law, engineering, and other specialties, and including at least three designated full-size surface parking stalls per 1,000 square feet of leasable area.

WOODFINE RETAIL SELECT means one or more institutional-quality office buildings, certified to comply with LEED core and shell standards, newly constructed by the Limited Partnership on a Qualified Investment owned by the Limited Partnership, providing 10,000 to 25,000 square feet of space to national tenants such as banks, tenants that require free-standing space, engineering companies, medical clinics, or a "High Street" strip of end users, and including at least four designated full-size surface parking stalls per 1,000 square feet of leasable area.

WOODFINE SUBURBAN OFFICE means an institutional-quality office building of six to fifteen storeys, certified to comply with LEED core and shell standards, newly constructed by the Limited Partnership on a Qualified Investment owned by the Limited Partnership, providing floor plates ranging in size from 15,000 to 25,000 square feet, designed to meet the space requirements of professional service providers in such fields as health care, accounting, law, engineering, and other specialties, and including a combination of at least three designated full-size surface and underground parking stalls per 1,000 square feet of leasable area.

WOODFINE TECH INDUSTRIAL means one or more industrial/commercial buildings, certified to comply with LEED core and shell standards, newly constructed by the Limited Partnership on a Qualified Investment owned by the Limited Partnership, providing individual bays ranging in size from 2,000 to 10,000 square feet, designed to meet the space requirements of industrial/commercial owner operators, and including at least two designated full-size surface parking stalls per 1,000 square feet of leasable area.

The statement of financial position presents the financial position of the Limited Partnership and therefore does not include all of the assets and liabilities of the partners.

The Limited Partnership's registered office is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2, and its principal place of business is located at 2300 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2; it operates from another office at 7 World Trade Center, 46th floor, 250 Greenwich Street, New York, NY 10007.

The Limited Partnership is classified as a Venture Issuer.

Selected Annual Information

	At December 31, 2016	At December 31, 2015	At December 31, 2014	At December 31, 2013
	$	$	$	$
ASSETS				
Current assets				
Cash	31,579	332,357	1,000,093	100
Interest receivable	38,795	-	-	-
Deposits for land purchases	-	375,000	-	-
	70,374	707,357	1,000,093	100
Non-current assets				
Loan to Woodfine Properties Inc.	875,000	250,000	-	-
Total assets	**945,374**	**957,357**	**1,000,093**	**100**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	17,054	15,209	10,000	-
EQUITY				
Unitholders' equity				
Partners' capital	1,111,200	1,111,200	1,111,200	100
Share-based payment reserve	1,266,156	1,199,042	953,360	1,412,845
Deficit	(1,449,036)	(1,368,094)	(1,074,467)	(1,412,845)
Total equity	928,320	942,148	990,093	100
Total liabilities and equity	**945,374**	**957,357**	**1,000,093**	**100**

	For the year ended December 31, 2016 $	For the year ended December 31, 2015 $	For the year ended December 31, 2014 $	For the year ended December 31, 2013 $
Revenue				
Revenue from operations	-	-	-	-
Operating (expenses) income				
Share-based compensation	(67,114)	(245,682)	348,385	858,653
Offering expense	-	-	(10,000)	-
Professional fees	(42,571)	(36,391)	-	
Advisory fees	(10,312)	(10,000)	-	
Communication expense	(1,716)	(1,428)	-	-
Bank charges	(357)	(126)	(7)	-
	(122,070)			
Other income				
Interest income	41,128			
Loss and comprehensive loss	**(80,942)**	(293,627)	338,378	(858,653)

Summary of Financial Information

For the year ended December 31, 2016, no revenue from operations was received.

For the year ended December 31, 2016, expenses related to professional fees, communication and bank charges of the Partnership equalled $44,644.

For the year ended December 31, 2016, advisory fees to Woodfine Advisors Inc. (the "Advisor") equalled $10,312. These advisory fees are equal to 1% of the gross funded value of the Partnership, adjusted for inflation and paid monthly to the Advisor pursuant to the LPA, as described further under "Transactions between Related Parties" on page 6.

For the year ended December 31, 2016, no fees relating to offering costs were charged to the Partnership pursuant to the LPA, as described further under "Transactions between Related Parties" on page 6.

Quarterly Results

Below is a summary of the total revenue and profit or loss from each of the eight most recently completed quarters.

Fiscal quarter ended	Revenues	Net gain/(loss) – total $	Gain/(loss) from continuing operations – per Unit $	Net comprehensive gain/(loss) – total $	Net gain/(loss) – per Unit $
December 31, 2016	NIL	199,294	17.935	199,294	17.935
September 30, 2016	NIL	(87,094)	(7.838)	(87,094)	(7.838)
June 30, 2016	NIL	(92,208)	(8.298)	(92,208)	(8.298)
March 31, 2016	NIL	(100,934)	(9.083)	(100,934)	(9.083)
December 31, 2015	NIL	49,320	4.44	49,320	4.44
September 30, 2015	NIL	(113,497)	(10.21)	(113,497)	(10.21)
June 30, 2015	NIL	(127,813)	(11.50)	(127,813)	(11.50)
March 31, 2015	NIL	(101,637)	(9.15)	(101,637)	(9.15)

Fourth Quarter

During the fourth quarter, the estimated closing date for the valuation of share-based compensation was revised from June 30, 2016, to December 31, 2017.

For the three months ended December 31, 2016, no revenue from operations was received.

For the three months ended December 31, 2016, expenses related to professional fees, communication and bank charges of the Limited Partnership equalled $9,262.

For the three months ended December 31, 2016, advisory fees to the Advisor equalled $2,578. These advisory fees are equal to 1% of the gross funded value of the Limited Partnership, adjusted for inflation and paid monthly to the Advisor pursuant to the LPA, as described further under "Transactions between Related Parties" on page 6.

For the three months ended December 31, 2016, no fees relating to offering costs were charged to the Limited Partnership pursuant to the LPA, as described further under "Transactions between Related Parties" on page 6.

Liquidity

As at December 31, 2016, the Limited Partnership had current assets of $70,374 and current liabilities of $17,054.

Equity at December 31, 2016, was $928,320.

Capital Resources

The proceeds from the Offering are expected to provide the Limited Partnership with the minimum funds required to identify and evaluate real property with a view to completing a Qualifying Investment (as defined in the LPA).

The LPA requires that the Limited Partnership maintain an operating reserve, which will initially be determined by the board of directors of the General Partner as required.

The Limited Partnership is not exposed to any externally imposed capital requirements. There were no changes in the Limited Partnership's approach to capital management during the period.

Off-Balance-Sheet Arrangements

The Partnership does not have any off-balance-sheet arrangements.

Transactions between Related Parties

During the year ended December 31, 2016, the Limited Partnership recorded a share-based compensation expense of $67,114 (year ended December 31, 2015—$245,682). Further, as per the LPA, an amount of $42,571 was charged by the General Partner to the Limited Partnership toward general and administration expenses incurred by the General Partner on behalf of the Limited Partnership.

If the maximum 2,500,000 Limited Partnership Units were issued under the Offering, this would have resulted in share-based compensation expense of $5,181,735 being recorded for the year ended December 31, 2016 (year ended December 31, 2015—$5,181,735).

Pursuant to the terms of the LPA, upon the first closing of the sale of Units, Benetti was issued 1,111 Units for cash consideration of $0.001 per Unit. At subsequent closings, if additional closings occur, Benetti will be issued additional Units equal to 11.111% of the number of Units issued for cash consideration of $0.001 per Unit. Although the issuance of Units to Benetti is conditional on the closing of the Offering, these Units are considered share-based payments for services provided by Benetti related to the Offering and as founder of the business of the Limited Partnership. Under IFRS 2 Share-based Payment, these Units are required to be measured at fair value, assumed to be $100 per Unit, with share-based compensation expense being recognized on a straight-line basis from the date of the initial LPA describing the arrangement with Benetti to the estimated closing date of the Offering.

Any Units issued to Benetti will be held in escrow, and Benetti will not obtain unrestricted ownership of the Units and will not have the right to transfer its Units to a third-party purchaser until the earlier of: (i) the limited partners having received distributions from the Limited Partnership equal to 100% of their initial investment in Units, (ii) the closing of a final sale of all or substantially all of the assets of the Limited Partnership, or (iii) the sale of all of Benetti's Units to the owner or owners of at least 75% of the outstanding Units.

The Units held by Benetti will receive the same per-Unit distributions as all Units issued to subsidiaries under the Offering.

Certain directors and officers of the Limited Partnership, and certain service providers and/or their family members, have an ownership interest in the Promoter, with no director, officer or service provider holding more than a 1% interest in the Promoter except Peter M. Woodfine, who indirectly holds a significant interest.

The independent directors of the General Partner will each be paid an annual fee ranging from $10,500 in the case of an Offering of 150,000 Units to $35,000 in the case of a maximum Offering of 2,500,000 Units. The Limited Partnership does not compensate the non-independent directors or the executive officers of the General Partner, or the directors or executive officers of the Promoter, the Advisor or any other member of the Woodfine Group, except to the extent that they are compensated through the issuance of Units to Benetti described above.

The Promoter is responsible for the costs of the Offering, and the Limited Partnership will make a contribution to these costs equal to 1% of the gross proceeds of the Offering. These costs include all tax, accounting, marketing and legal fees and disbursements, the agent's expenses that may be payable by the Limited Partnership in connection with the Offering in addition to its sales commission, reasonable out-of-pocket expenses incurred by the General Partner, all other costs reasonably incurred in connection with the formation of the Limited Partnership and the Offering of Units, and all other expenses reasonably incurred in connection with the formation or capitalization of the Limited Partnership, but do not include the agent's fees, which are an additional expense. The Limited Partnership's contribution to expenses will be $500,000 in the case of the sale of the maximum number of permitted Units under the LPA.

The General Partner has retained the Advisor to provide procurement, development and management services relating to the Limited Partnership's properties. Once the General Partner has approved a proposal presented by the Advisor for the acquisition and development of a property, the Limited Partnership will reimburse the Advisor for the costs and third-party expenses incurred in performing advisory services in relation to the approved project. Approved third-party expenses will include the fees, at market rates, of management companies retained by the Advisor to manage the Limited Partnership's properties. The Advisor must cover its own costs and expenses where it proposes an acquisition or development of a site by the Limited Partnership that is not approved by the General Partner.

The Limited Partnership will pay to the Advisor an annual advisory fee equal to 1% per year of the aggregate gross proceeds that have been received by the Limited Partnership from the sale of Units ("Gross Funded Value"). The advisory fee is payable in 12 equal monthly instalments on the last day of each month. The amount of the advisory fee remains fixed once the closing of subscriptions under the anticipated agency agreement has occurred. The amount of the advisory fee is calculated as a fixed percentage of the Limited Partnership's subscribed capital (subject to increase for increases in the Canadian Consumer Price Index), and is not related to the value of the Limited Partnership's net assets, or to any increase in that value that may occur.

For the year ended December 31, 2016, an amount of $10,312 was charged to the Limited Partnership as advisory fee.

The Limited Partnership has advanced loans aggregating $875,000 for working capital purposes to Woodfine Properties Inc., a corporation controlled by Peter Woodfine, the Chief Executive Officer and a director of the Promoter and of the General Partner of the Limited Partnership.

The loans carry interest at three percentage points above the Bank of Canada prime rate, payable quarterly. The interest rate floats for the first two years, and becomes fixed at the rate that is applicable on the second anniversary of the making of each loan. Interest only is payable for the first two years, and thereafter the principal of the loans is repayable in equal yearly instalments over a three-year period.

The loans were advanced as follows: November 30, 2015, $250,000; March 10, 2016, $300,000; and May 30, 2016, $325,000.

Subsequent Events

On April 14, 2017 an amount $25,000 was loaned to Woodfine Properties Inc., a corporation controlled by Peter M. Woodfine, the Promoter of the Limited Partnership. The loan carries interest at three percentage points above the Bank of Canada prime rate, payable quarterly. The interest rate floats for the first two years, and becomes fixed at the rate that is applicable on the second anniversary of the making of each loan. Interest only is payable for the first two years, and thereafter the principal of the loans is repayable in equal yearly instalments over a three-year period.

The Promoter has assigned to the Partnership as security for repayment of the loans the Promoter's right to reimbursement offering costs that are one half the amount payable to the Promoter on each closing of the Offering.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that will affect the application of accounting policies and the amounts reported in the financial statements during any reporting period. Actual results may differ from these estimates.

The significant area where management's judgment is applied in the preparation of these financial statements is the determination of share-based compensation. By its nature, the estimates used in determining share-based compensation are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be material.

The Limited Partnership has entered into an arrangement to issue Units at a discount upon closing of an offering of Units. The Limited Partnership recognizes share-based compensation related to this arrangement at the estimated fair value of the discounted Units expected to be issued over the estimated period to the closing of an offering.

Accounting Standards Anticipated to Be Effective in the Future

There are no accounting pronouncements released but not yet adopted that are relevant to the Limited Partnership.

Financial Instruments and Other Instruments

The Limited Partnership has classified its cash as loans and receivables, initially recorded at fair value and subsequently measured at amortized cost.

Risk Factors

The Units are securities of a speculative nature. There is no market through which the Units may be sold, and subscribers may not be able to resell the Units. An investment in the Units is appropriate only for persons who have the capacity to absorb a loss of some or all of their investment. There is no assurance of a positive return on a limited partner's original investment. There is no assurance of a specified rate of return, or any return, on a limited partner's original investment or payment of a specified distribution, or any distribution, in the short or long term.

Investment Risk

Locations of Properties. The specific properties in which the Limited Partnership will invest have not yet been determined. There can be no assurance that the Limited Partnership will be able to acquire, on favourable terms or at all, sufficient properties. In addition, depending on the return on investment achieved on any properties that may be acquired by the Limited Partnership, the investors return on their respective investments in the Units will vary.

Initial Losses and Tax Attributes of the Distributions. The Limited Partnership may incur losses until the Limited Partnership disposes of all of its properties and the Limited Partnership's operations are wound up. Further, the cash flow distributions made by the Limited Partnership may be taxed as a return on capital while being a return of capital. Until the Limited Partnership is wound up, it is not possible to determine accurately how much of the cash flow distributions made by the Limited Partnership are a return of capital rather than a return on capital.

Reliance on General Partner, the Advisor and the Promoter. Prospective limited partners assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the General Partner, the Advisor and the Promoter and their principals and management team, including Mr. Peter M. Woodfine. The ability of the Advisor to successfully implement the Limited Partnership's business strategy will depend in large part on the continued employment of Mr. Peter M. Woodfine. Neither the

General Partner nor the Limited Partnership maintains key person life insurance for any of these individuals. If the General Partner loses the services of one or more of these individuals, the business, financial condition and results of operations of the Limited Partnership may be materially adversely affected.

Independent Directors. Although the General Partner shareholder agreement requires that three directors of the General Partner be independent directors, and the Promoter shareholder agreement requires that three directors of the Promoter be independent directors, the General Partner shareholder agreement can be amended at any time without the consent of the limited partners and the Promoter shareholder agreement can be amended at any time without the consent of either the General Partner or the limited partners.

No Market for the Units. There currently is no market whatsoever for the Units, and it is not expected that a market will develop. Consequently, holders of such securities may not be able to sell them readily in the marketplace, and Units may not be readily accepted as collateral for a loan. The Units are also subject to restrictions on transfer contained in the LPA. Limited partners should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. An investment in the Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Less Than Full Offering. There can be no assurance that the Offering will be completely sold out. If less than all of the $50,000,000 in available Units are not sold pursuant to the Offering, then less than the maximum proceeds will be available to the Limited Partnership and, consequently, its business development plans and prospects could be adversely affected, as fewer properties will be purchased and developed by the Limited Partnership.

Risks of Real Estate Ownership. Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, failure of tenants to pay rent, changes in property values, interest rates, availability of debt funding, increases in real estate tax rates and other operating expenses, the possibility of competitive overbuilding and of the inability to obtain full occupancy of the properties, governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases, and other events and factors which are beyond the control of the Limited Partnership including:

(a) *Interest Rate Fluctuations* – Credit facilities, if required, may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Limited Partnership's cost of borrowing.

(b) *Competition for Real Property Investments* – The Limited Partnership competes for suitable real property investments with individuals, corporations, real estate investment trusts and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those sought by the Limited Partnership. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments.

(c) *Fluctuations in Capitalization Rates* – As interest rates fluctuate in the lending market, so do capitalization rates required by buyers, which affects the underlying value of real estate. When interest rates rise, so do capitalization rates. Over the period of investment, capital gains and losses at the time of disposition can occur due to the movement of these capitalization rates.

(d) *Economic Conditions* – The yields available from investments in real estate depend upon the amount of revenues generated and expenses incurred. The risks that affect these yields include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, the attractiveness of properties to tenants, and the ability of the owner to provide adequate maintenance at an economic cost. The performance of the economy in each of the areas in which properties are located affects occupancy, market rental rates and expenses. These factors consequently can have an impact on revenues from the properties and their underlying values. The financial results and labour decisions of major local employers may also have an impact on the revenues from, and value of, certain properties.

(e) *Tenancy Risks* – The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates. Revenue would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space were not able to be leased on economically favourable lease terms. In addition, revenue would be adversely affected by increased vacancies in the properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting any investment may be incurred. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available. The ability to rent unleased space will be affected by many factors. Delays in re-leasing units as vacancies arise would reduce the revenues and could adversely affect operating performance. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Limited Partnership is unable to meet debt payments, losses could be sustained as a result of the debtor's exercise of its rights of foreclosure or sale.

(f) *Illiquidity* – Real property 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 limit the Limited Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Limited Partnership were to be required to liquidate its real property investments, the proceeds to the Limited Partnership might be significantly less than the aggregate carrying value of its properties.

(g) *Current Financial Conditions* – Current financial conditions globally have been subject to unprecedented volatility, and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by both subprime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Limited Partnership to obtain credit facilities and, if obtained, on terms favourable to the Limited Partnership. As well, these conditions may also negatively affect the real estate market.

(h) *Development Risks* – The Limited Partnership's potential involvement in development activities brings with it the following related risks: (a) the potential insolvency of a developer; (b) the developer's failure to use advanced funds in payment of construction costs; (c) construction or unanticipated delays; (d) incurring construction costs before ensuring rental revenues will be earned from the project; (e) cost overruns on the project; and (f) the failure of tenants to occupy.

Financing Risks. In certain circumstances, the Limited Partnership may borrow funds to fund the purchase of properties and fund subsequent developments. There is no assurance that the Limited Partnership will be able to obtain sufficient financing for the acquisition of properties, or, if available, that the Limited Partnership will be able to obtain financing on commercially acceptable terms. Further, there is no assurance that any financing, if obtained, will be renewed when they mature or, if renewed, renewed on the same or commercially reasonable terms and conditions (including the rate of interest). In the absence of debt financing, the number of properties that the Limited Partnership is able to purchase and develop will decrease, and the projected return from the ownership of properties will be reduced. Even if the Limited Partnership is successful in obtaining adequate financing, the Limited Partnership may not be able to generate sufficient funds through operations in order to service financing obligations. If a default occurs, one or more of the lenders could exercise its rights, including, without limitation, foreclosure or sale of the properties.

Credit facilities obtained by the Limited Partnership will contain covenants, including limitations on the Limited Partnership's ability to incur secured and unsecured indebtedness, sell all or substantially all of its assets and engage in mergers and consolidations and various acquisitions. In addition, mortgage indebtedness and other credit facilities will contain limitations on the Limited Partnership's ability to transfer or encumber the mortgaged properties without lender consent. These provisions may restrict the Limited Partnership's ability to pursue business initiatives or acquisition transactions that may be in its best interests. They also may prevent the Limited Partnership from selling properties at times when, due to market conditions, it may be advantageous to do so. In addition, failure to meet any of the covenants could cause an event of default under and/or acceleration of some or all of the Limited Partnership's indebtedness, which would have an adverse effect on the Limited Partnership.

Potential Liability under Environmental Protection Legislation. Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Limited Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect the Limited Partnership's ability to sell such property or to borrow using the property as collateral, and could potentially also result in claims against the Limited Partnership by private parties.

Uninsured Losses. The General Partner will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Limited Partnership and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the properties, the Limited Partnership could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of the properties.

Revenue Shortfalls. Revenues from the Limited Partnership's properties may not increase sufficiently to meet increases in operating expenses or debt service payments under any credit facilities or to fund changes in the variable rates of interest charged in respect of such loans.

Return on Investment. There is no assurance that sufficient net profits or cash flow will be generated from which investors will earn any return on, or repayment of, their capital contributions to the Limited Partnership or their investment in Units.

Status of Qualified Investments. Investors will not be provided with specific data on the investments that will provide the principal source of the Limited Partnership's income.

Adherence to Investment Objective and Strategy. In assessing the risks and rewards of an investment in Units, potential investors should appreciate that they are relying solely on the good faith, judgment and ability of the General Partner and the Advisor to make appropriate decisions with respect to the nature of the investments.

While the General Partner and the Advisor will assess each investment, there can be no assurance that each investment will meet all of the terms laid out in the LPA. The General Partner and/or the Advisor may determine that such investment is acceptable to the Limited Partnership because of its overall matching to the terms of the LPA and its prudent balance of risk and potential for economic reward.

If the General Partner is unable to dispose of all assets in exchange for cash or freely trading securities prior to the Termination Date, limited partners may receive securities or other interests, for which there may be an illiquid market or which may be subject to resale and other restrictions under applicable securities law.

SIFT Limited Partnership Risk. In the event that the General Partner obtains a stock exchange listing of the Units, the Limited Partnership will be considered a "SIFT partnership" as defined in the Tax Act. This may affect the level of distributable income available for distributions to limited partners.

Available Capital. If the proceeds of the subsequent sales of Units are significantly less than the maximum $50,000,000 Offering, the expenses of the Offering and the ongoing fees and administrative expenses and interest expense payable by the Limited Partnership may result in a substantial reduction or even elimination of the returns which would otherwise be available to the Limited Partnership.

The ability of the General Partner to obtain quality investment opportunities on behalf of the Limited Partnership is, in part, influenced by the total amount of capital available for investment. Accordingly, if the proceeds of the Offering are significantly less, the ability of the General Partner to negotiate and obtain quality investments on behalf of the Limited Partnership may be impaired.

Liability of Limited Partners. Limited partners may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of the Limited Partnership. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province or territory but carrying on business in another province or territory have not been authoritatively established. If limited liability is lost, there is a risk that limited partners may be liable beyond their contribution of capital and share of undistributed net income of the Limited Partnership in the event of judgment on a claim in an amount exceeding the sum of the net assets of the General Partner and the net assets of the Limited Partnership. While the General Partner has agreed to indemnify the limited partners in certain circumstances, the General Partner has only nominal assets, and it is unlikely that the General Partner will have sufficient assets to satisfy any claims pursuant to such indemnity.

Limited partners remain liable to return to the Limited Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Limited Partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the Limited Partnership is reduced and the Limited Partnership is unable to pay its debts as they become due.

Tax-Related Risks. It is not possible to anticipate the federal, provincial or territorial tax consequences for investors of a Final Sale, if any, until details of the Final Sale are known.

Tax deductions and credits relating to an investment in Units are not expected to be material relative to the subscription price for Units.

The alternative minimum tax could limit tax benefits available to a limited partner who is an individual (or one of certain types of trusts).

While the Limited Partnership may make certain distributions to limited partners, a limited partner may receive an allocation of income and/or capital gains in a year without receiving sufficient distributions from the Limited Partnership for that year to fully pay any tax that he or she may owe as a result of being a limited partner in that year.

Issuer Risk

Lack of Operating History. The Limited Partnership and the General Partner are newly established entities and have no previous operating or investment history. The Limited Partnership will, prior to the closing date, have only nominal assets, and the General Partner will at all material times thereafter only have nominal assets. Prospective subscribers who are not willing to rely on the business judgment of the General Partner should not subscribe for Units.

Financial Resources of the General Partner. The General Partner has unlimited liability for the obligations of the Limited Partnership and has agreed to indemnify the limited partners against losses, costs or damages suffered if the Limited Partners' liabilities are not limited as provided herein, provided that such loss of liability was caused by an act or omission of the General Partner or by the negligence or wilful misconduct in the performance of, or wilful disregard or breach of, the obligations or duties of the General Partner under the LPA. However, such indemnity will apply only with respect to losses in excess of the agreed capital contribution of the limited partner, and the amount of this protection is limited by the extent of the net assets of the General Partner and such assets will not be sufficient to fully cover any actual loss. The General Partner is expected to have only nominal assets and, therefore, the indemnity of the General Partner will have nominal value. Limited partners also will not be able to reply upon the General Partner to provide any additional capital or loans to the Limited Partnership in the event of any contingency.

Conflicts of Interest. The Promoter, the General Partner, certain of their affiliates, certain limited partnerships whose general partner is or will be a subsidiary of the Promoter, and the directors and officers of the Promoters, the Advisor and the General Partner, are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are or will be similar to and in competition with the business of the Limited Partnership and the General Partner, including acting in the future as directors and officers of the general partners of other issuers engaged in the same business as the Limited Partnership. Accordingly, conflicts of interest may arise between limited partners and the directors, shareholders, officers, employees and any affiliates of the General Partner, the Advisor and the Promoter. Neither the General Partner, the Promoter, the Advisor nor any related entities are obligated to present any particular investment opportunity to the Limited Partnership, and related entities may take such opportunities for their own account.

There are no assurances that conflicts of interest will not arise that cannot be resolved in a manner most favourable to limited partners. Persons considering a purchase of Units pursuant to this Offering must rely on the judgment and good faith of the shareholders, directors, officers and employees of the General Partner, the Advisor and the Promoter in resolving such conflicts of interest as may arise.

There is no obligation on the General Partner, the Promoter, the Advisor, or their respective employees, officers and directors and shareholders to account for any profits made from other businesses that are competitive with the business of the Limited Partnership.

Other MD&A Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Limited Partnership advises readers of this MD&A that important additional information about the Limited Partnership is available on the SEDAR website, www.sedar.com.

Disclosure by venture issuer without significant revenue

The Limited Partnership has had no operating revenue from formation to the year ended December 31, 2016. An analysis of the material components of the Limited Partnership's general and administrative expenses is disclosed in this MD&A under the section "Summary of Financial Information."