June 30, 2017.

**Letter to Reserve Fund Creditors**

(1) In the spring of 2014 it was decided by a Supermajority of Partners to wind down Zenon Capital LP. Approximate 18 years returns:

**1996 2014 Annualized Return** LP Unit Value 10.00 105.88 15.9%  
 S&P 500 650 1960 8.6% (includes 1.5% in dividends)

(2) The Partners spent months discussing and planning Special Resolution #14 ("SR14"), which governed the LP's liquidation, and included specifications for an Unforeseen Liability Reserve ("Reserve") as explicitly mandated by the 1996 Partnership Agreement, Section 11.3 (b).

(3) Only Andrew Tatarsky refused to participate in the Reserve, discuss the Reserve, contribute to the  
Reserve or even obtain and/or read any documents issued to govern the Liquidation and Reserve, despite the fact that he was administering 3 Trust Accounts with unclear legal status that had become the target of multiple CRA investigations.

(4) On June 30, 2014, the Limited Partners were released and became Creditors of the Reserve.   
On that date, the Partners ceased to be "beneficiaries" in any further profits/losses... but remained liable for expected liquidation costs and unforeseen liabilities via the Reserve. These are important   
legal distinctions for Reserve distribution and tax purposes.

(5) George Tatarsky ("GZT"), President of Zenon Capital Inc., was charged with overseeing the liquidation of the remaining LP assets. It was well known as of mid-2014, that certain assets were tied  
up in cross-border red tape or otherwise impaired. Please see the next section for more detail about  
the challenges that we expected.

(6) There were sound reasons to make the Reserve quite large (9% of capital). In mid-2014, GZT expected the ultimate Reserve Payout to be in the 25-75% range depending on projected and unforeseen variables. As of mid-2017, GZT expects the Reserve Payout to be in the 25-50% range depending on projected variables.

**Excel Reserve Workbook (reserve.xlsm)**

The included Excel Reserve Workbook charges Reserve accounts and simulates expected payouts under various scenarios. It was designed by GZT. The primary goal is to be functional and accurate... making it easier to understand is a completely separate design process and somewhat akin to making Einstein's Theory of Relativity "easy to understand". (We may add a simpler Balance Sheet type functionality).

Please read the "Notes" Sheet for various explanations and please study the Workbook at some length to understand how we arrived at the payouts in the Table below. Familiarity with SR14 is also helpful.

Projections are based on some key variables where decisions or work is outstanding:

(i) whether NASDAQ stock valued at $57,045 for Reserve purposes is sold in 2017  
 (ii) whether a Medallion Certificate required to accomplish (i) can be arranged   
 (iii) cost of 2013-14 LP filings, small losses with no tax consequences (range $15,000 to $40,000)  
 (iv) future legal fees (range $5,000 to $20,000)  
 (v) future administration charges by GZT (range $10,000 to $20,000)  
 (vi) whether erroneous tax bills are paid for on behalf of Partners (range $0 to $20,000)   
 (vii) future CRA inquiries and/or penalties (possibly substantial)

If one factors in all the variables, even a 25% Payout on June 30, 2017 is generous. And a best case scenario for a Dec 31, 2017 Payout is about 45%.

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**Projected Percentage Reserve Payout Table**

Date Percent Comments

June 30, 2017 25% An immediate payment must forgo proceeds from NASDAQ stock   
Dec 31, 2017 45% Assumes NASDAQ stock is sold and accounting costs are moderate

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Multiple payments from the Reserve are not practical. So we have chosen 2 dates when Payouts are available: immediately and 6 months from now on December 31, 2017. A payment can be processed once a Creditor makes a decision

**Choice Offered To Creditors as of June 30, 2017**

In order to be fair to creditors that insist on an immediate Reserve Payout... and also to creditors that are willing to allow the LP Liquidation to play out for a few more months:

**Creditors are being given a binary choice:**

(a) accept a 25% payout immediately and sign a Release

(b) wait 6 months and have a good chance of receiving a 40-50% payout

**As of June 2017 all creditors except one appear to have chosen (b). If a choice is not made by a creditor within 30 days, the creditor will default to be (b).**

**NASDAQ Stock Discussion**

The NASDAQ stock has been verified in 2017 and remains at Computershare USA transfer agent. We continue to get dividend payments and NASDAQ shareholder voting ballots.

In terms of the Reserve, the NASDAQ stock is a potential liability in the amount of $57,045 USD. This reflects the value of 1500 shares on June 30, 2014 (based on a 10 day moving average of the closing market price).

**Unless a creditor chooses the 25% buyout June 30, 2017... realistically no larger Reserve payments can be made until the NASDAQ stock is sold and the proceeds are deposited in the Zenon Capital LP Canada Trust account.**

A plan has been formulated to proceed. It involves a 3rd party company named Keane that specializes  
in "asset recovery" for estates and defunct entities. Keane is also a US broker-dealer, so for a fee of about 10% they will interact with Computershare, sell the stock and deposit the proceeds directly to our TD Canada Trust bank account.

It's also important to realize that GZT has no direct control over any aspect of this transaction:

(i) he may or may not be able to get a Medallion Certificate required for US security transfers, this  
 is entirely at the discretion of TD Canada Trust and TD Waterhouse (it took 2 months for GZT to   
 obtain this stamp in 2006, after being initially rejected)

(ii) Computershare may or may not delay the transfer indefinitely for any reason

(iii) the stock may eventually be seized by the state of Pennsylvania

(iv) GZT has no signatory power in terms of the TD Canada Trust LP bank account

(v) point (iv) may complicate, delay or block accomplishing (i)

Since there have been at least 3 prior attempts to transfer the NASDAQ stock since 2006, our 4th attempt must be carefully planned out and can be viewed as somewhat akin to threading a needle.