



Augen Limited Partnership 2004-1

****IMPORTANT INFORMATION FOR PREPARING YOUR 2006 INDIVIDUAL INCOME TAX RETURN**

Dear former Limited Partners,

The Augen Limited Partnership 2004-1 ("LP2004") has completed a mutual fund rollover transaction ("the Mutual Fund Rollover") wherein LP2004 transferred all of its assets to Augen Resource Strategy Fund ("the Fund") on May 1, 2006 in exchange for shares of the Fund (the "Mutual Fund Shares"). As part of the wind-up and dissolution of LP2004, the Fund shares were subsequently distributed to limited partners of record.

The information contained herein is strictly for information purposes only and should in no way be regarded as tax advice. Obtain professional tax advice about your individual circumstances.

MUTUAL FUND ROLLOVER

Limited partners of LP2004 received **12.470** Mutual Fund Shares for each limited partnership unit, based on a net asset value of \$10.00 per share of the Fund.

ACB OF PARTNERSHIP UNITS as at May 1, 2006

The following outlines the adjusted cost base ("ACB") per unit of LP2004 based on information available to us.

ACB of partnership units as at May 1, 2006
LP2004
\$91.06 per Limited Partnership Unit

ACB OF MUTUAL FUND SHARES as at May 1, 2006

As each unit of LP2004 was exchanged for 12.470 shares of the Fund, each full share of the Fund would have an approximate **ACB of \$7.30 per share**

Investors who hold Mutual Fund Shares of the Fund resulting from the rollover transaction have deferred the potential tax liability of capital gains until such time as the Mutual Fund Shares are redeemed. Investors who have redeemed a portion or all of their holdings of the Fund resulting from the rollover transaction should use an ACB of \$7.30 per share when determining their capital gain tax liability.

Note: Future tax deductions are available to former LP2004 unitholders for the taxation years 2006 through 2009. For each unit previously held in LP2004, former LP2004 unitholders are entitled to the following tax deductions:

	Per former <u>LP2004 Unit</u>
2006	\$1.81855
2007	\$2.70926
2008	\$2.70926
2009	\$0.36272

For further information, please contact us at 1-888-442-8436 or investorrelations@augencc.com.