

## EARLY WARNING REPORT

### RAVENSOURCE FUND (the "Issuer")

#### **Pursuant to National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("NI 62-103")**

**1. The name and address of the offeror**

SCOTT R. REID ("Offeror")  
30 St. Clair Avenue West,  
Suite 901  
Toronto, Ontario  
M4V 3A1

**2. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances**

Following the Rights Offering Circular of the Issuer dated April 21, 2011, the Offeror owned and had control of 160,628 Units, and 160,628 Rights. On May 31, 2011, the Offeror exercised 160,628 Rights and obtained 42,907 Units, resulting in the Offeror's ownership of 203,535 Units.

On August 3, 2011, the Offeror disposed of 1,400 Units on the Toronto Stock Exchange ("TSX") resulting in the Offeror's ownership of 202,135 Units. Subsequently on December 20, 2011 the Offeror disposed of an additional 35,700 Units resulting in the Offeror's ownership of 166,435 Units. On December 23, 2011, the Offeror disposed of 10,000 Units on the TSX resulting in the Offeror's ownership of 156,435 Units equal to a securityholding percentage of 9.19% of the Issuer's outstanding shares, as disclosed in the June 30, 2011 financial statements of the Issuer.

**3. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file a news release**

The Offeror owns and has control of 156,435 Units representing a securityholding percentage of approximately 9.19% calculated as set out in paragraph 2 above.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

**(a) the offeror, either alone or together with any joint actors, has ownership and control**

The Offeror owns 156,435 Units representing a securityholding percentage of approximately 9.19% calculated as set out in paragraph 2 above.

**(b) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor**

Not applicable.

**(c) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership**

Not applicable.

**5. The name of the market in which the transaction or occurrence that gave rise to the news release took place**

Not applicable.

**6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a new release**

Not applicable.

**7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer**

The securities of the Issuer referred to above are held by the Offeror for investment purposes and the Offeror's investment may be increased or decreased in the future as considered appropriate in light of the Offeror's investment objectives, market conditions and other factors and in accordance with the provisions of applicable securities legislation.

The Offeror is the President, the sole director and the indirect sole shareholder of Stornoway Portfolio Management Inc., the investment manager of the Issuer, and has overall responsibility for directing the investment decisions and execution of investment strategies for the Issuer.

**8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the**

**transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities**

Not Applicable.

**9. The names of any joint actors in connection with the disclosure required under Appendix E of NI 62-103**

Not applicable.

**10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars, of the consideration paid by the offeror**

Not applicable.

**11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of NI 62-103 in respect of the reporting issuer's securities**

Not applicable.

**12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance**

Not applicable.

**DATED** at Toronto, Ontario this 30<sup>th</sup> day of December, 2011

By: (signed) "Scott R. Reid"  
SCOTT R. REID