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January 30, 2009

Notice to Unitholders of Front Street Mining Opportunities Fund

We, Front Street Capital 2004, are the manager of Front Street Mining Opportunities Fund (the "Fund") and wish to advise you of certain changes we will be making to the Fund. We have been working with our affiliate, Front Street Investment Management Inc., the Fund's investment advisor, to consider whether the existing investment objectives and strategies of the Fund will best position it going forward. In this regard, we have decided it would be appropriate to broaden the investment mandate of the Fund, to permit the Fund to invest not just in natural resource industries such as mining and minerals and precious metals, but also, and perhaps primarily, in energy-related industries in Canada. Accordingly, we will be adopting the following as the Fund's investment objective (changes underlined):

"The Fund's investment objective is to achieve maximum capital appreciation by investing primarily in a diversified portfolio (the "Portfolio") consisting primarily of equity and equity related securities of small and medium-sized business entities in a range of energy-related industries including oil and gas exploration and production, servicing and drilling, the power generation market, including coal, liquefied natural gas, nuclear and electricity, and alternative energy-related projects including fuel cell, power generation and wind power projects, as well as other related natural resource sector industries including mineral resource mining and exploration, forestry and water resource projects.

The Fund will make its investment selections based predominantly on the merits of specific companies and their management teams. The Fund will maintain a specific investment focus and will endeavour to manage the Portfolio by focusing on the purchase of equity and equity-related securities of business entities in the energy and natural resource area, concentrating in the energy sector in Western Canada. Capital growth will be targeted through the selection and strategic trading of both long and short positions in equity, debt and derivative securities."

In pursuit of this investment objective, the Fund will follow the investment strategies set out in Appendix 1 to this notice. In order to reflect these changes in the Fund's investment objectives and strategies, the name of the Fund will be changed to "Front Street Canadian Energy Fund". The Fund is also making some non-substantive changes to its investment restrictions, to conform them to those applicable to other similar investment funds of the Manager, and these are also set out as part of Appendix 1.

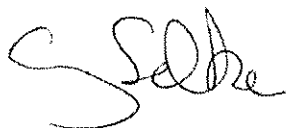
In conjunction with implementing these changes, we are also taking the opportunity to adopt a multi-class unit structure for the Fund. Currently, the Fund offers only one class of units. These units

will be re-designated as "Series B units", but will have the identical characteristics to the units you now hold. The re-designation of your common units as Series B units will not result in a disposition of your units for tax purposes. We will then be adding a second class of units, the Series F units, and amending the Fund's amended and restated trust agreement with HSBC Trust Company as trustee in the customary manner to accommodate a multi-class unit structure.

These changes will be effective May 1, 2009. In addition, please be advised that the custodian and prime broker of the Fund has been changed to RBC Dominion Securities Inc.

If you have any questions regarding these changes to the Fund, please do not hesitate to contact us by email at advisorservice@frontstreetcapital.com or by telephone at 416-364-1990 (toll free 1-800-513-2832).

Yours truly,

A handwritten signature in black ink, appearing to read "G Selke". The signature is fluid and cursive, with a large initial "G" and a stylized "Selke".

GARY P. SELKE
President and Chief Executive Officer,
Front Street Capital 2004

Appendix 1

Front Street Canadian Energy Fund

Investment Strategies

Front Street Investment Management Inc. (the “Investment Advisor”) is responsible for the investment of the Fund’s assets. The Investment Advisor will develop and manage a portfolio of investments related to the energy and natural resource sectors with the objective of achieving capital appreciation.

The Fund’s exposure to the energy and related natural resource sectors will consist principally of publicly traded securities located primarily in Canada, as well as private and illiquid securities in the same sectors that the Investment Advisor believes will be advantageous to the Fund. Investments are expected to include equity and equity-related securities. The Fund is not precluded from investing in debt or debt-like instruments. The Fund may purchase puts, calls or combinations thereof including options to acquire additional securities or rights to sell securities of the small and medium-sized businesses in which it invests. The Fund may lend its portfolio securities. The Fund may purchase securities on margin. From time to time, the Fund may hold its investments directly or indirectly through one or more subsidiary or affiliate corporations if the Investment Advisor determines that such structure would be advantageous to the Fund from a financial or tax perspective. The Fund’s assets may also from time to time consist of derivatives to gain exposure to these types of investments without investing directly in those investments.

In managing the Portfolio, the Investment Advisor intends to use actively managed investment strategies which are intended to enhance the returns of the Fund while at the same time reducing risk and preserving capital. The portion of the Fund’s assets that are not invested in issuers and securities related to the energy and natural resource sectors will be held by the Fund in cash and cash equivalents as determined by the Investment Advisor and used for general working capital purposes.

The Fund’s current investment strategies are set out below:

1. **Traditional Equity Strategies.** In managing the Portfolio, the Investment Advisor is expected to make use of traditional equity investment strategies such as investing on a global basis in equity securities such as common shares and convertible securities such as warrants, investing in undervalued securities, managing long/short positions, short selling overvalued securities, pairs trading, merger arbitrage, convertible arbitrage and participating in restructuring situations. The Fund may also invest in subordinated debentures, convertible debentures, preferred shares and equity-like instruments of such companies.
2. **Derivatives.** The Fund may use warrants and other derivatives such as options, forward contracts, futures contracts and swaps in an effort to (i) hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies; or (ii) gain exposure to individual securities, energy and natural resource assets and markets instead of buying such assets directly; and/or (iii) generate income. As described below, the Fund may also purchase and sell commodity futures, options, forward contracts or swaps to gain exposure to physical energy and natural resource commodities without investing in such assets directly.
3. **Leverage.** At the discretion of the Investment Advisor, the Fund may use financial leverage through the acquisition of financial derivative contracts and/or similar securities, subject to compliance with the Fund’s investment restrictions described below. The Fund will measure leverage in terms of the total underlying notional value of the financial derivative positions and securities as a ratio of the total assets held by the Fund. The aggregate underlying market

exposure of all derivatives held by the Fund can exceed the Fund's cash and cash equivalents, including cash held as margin on deposit to support the Fund's derivatives trading activities.

As part of its strategy, the Fund may buy or sell securities related to the energy and natural resource sectors in an effort to profit from strength or weakness of the energy and natural resource markets and to hedge against risks in such markets.

Additional Information Regarding Short Selling

Certain of the Fund's investment strategies involve the short selling of securities. To do this, the Fund will borrow the securities it is selling short, and will be under an obligation to return the borrowed securities to the lender at a future date. The Fund will also be required to pay the lender any dividends declared on the borrowed securities, together with any securities borrowing fees. To return the borrowed securities, the Fund will purchase these same securities at a later date, with the result that the Fund will generally make a gain on the short sale if the price of the securities has declined by such later date. The borrowing of securities by the Fund is made pursuant to a settlement services agreement between the Fund, the Manager and RBC Dominion Securities Inc.

Additional Information Regarding Derivatives

The Fund may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Fund. The Fund may also purchase put options in order to protect the Fund from declines in the market prices of the individual securities in the Portfolio or in the value of the Portfolio as a whole. The Fund may enter into trades to close out positions in such permitted derivatives. The Fund may also use derivatives to hedge the Fund's foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, options on futures, over-the-counter options and forward contracts.

Investment Restrictions

The activities of the Fund are subject to certain investment restrictions contained in the Trust Agreement. These investment restrictions provide, among other things, as follows:

1. **Sole Undertaking.** The Fund will not engage in any undertaking other than the investment of the Fund's assets in accordance with the Fund's investment objective and investment strategies.
2. **Unit Trust Qualification.** The Manager will manage the assets of the Fund so as to ensure that the Fund qualifies as a "unit trust" within the meaning of the Income Tax Act (Canada) (the "Tax Act"). As a result:
 - (a) at least 80% of the property of the Fund at all times must consist of any combination of (i) shares, (ii) property that is convertible into, or exchangeable for or confers a right to acquire, shares, (iii) cash, (iv) bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations, (v) marketable securities, (vi) real property situated in Canada, and interests in such real property, or immovables situated in Canada and real rights in such immovables; and (vii) rights to and interests in – or, for civil law, rights in or to – any rental or royalty computed by reference to the amount or value of production from a natural accumulation of petroleum or natural gas in Canada, from an oil or gas well in Canada or from a mineral resource in Canada,

- (b) for each taxation year of the Fund, not less than 95% of the income of the Fund for purposes of the Tax Act (computed without regard to subsections 49(2.1) and 104(6) of the Tax Act) will be derived from, or from the disposition of, investments described in paragraph (a) above, and
 - (c) not more than 10% of the property of the Fund will at any time consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than Her Majesty in Right of Canada or a province or a Canadian municipality.
- 3. **Liquidity.** The Fund will not purchase any securities of a private issuer if, immediately after the purchase, more than 20% (based on cost amount) of the assets of the Fund is invested directly in securities of private issuers.
- 4. **Purchasing Securities.** The Fund will not purchase securities other than through normal market facilities unless the purchase price thereof approximates the prevailing market price as negotiated or established by parties who are at arm's length with the Manager and the Investment Advisor. If an affiliate of the Investment Advisor provides brokerage services to the Fund, the execution, prices and terms of such services must be no less favourable than those generally offered by other brokers and dealers.
- 5. **Fixed Price.** The Fund will not purchase any security which may by its terms require the Fund to make a contribution in addition to the payment of the purchase price (other than pursuant to a permitted derivative transaction), provided that such restriction will not apply to the purchase of securities which are paid for on an instalment basis where the total purchase price and the amount of all such instalments are fixed at the time the first instalment is paid.
- 6. **Interest of Investment Advisor.** The Fund will not purchase securities from, or sell securities to, the Investment Advisor or any of its affiliates or any officer, director or shareholder of any of them, any person managed by the Investment Advisor or any of its affiliates, or any person in which any officer, director or shareholder of the Investment Advisor or any of its affiliates may have a material interest (which, for these purposes, includes beneficial ownership or more than 10% of the voting securities of such person).
- 7. **Commodities.** The Fund will not purchase any physical commodity other than gold, silver, platinum and palladium in the form of bullion, coins, receipts, certificates or permitted gold certificates, but may purchase and sell commodity futures or options on futures (subject to the Investment Advisor obtaining any necessary registrations under the *Commodity Futures Act* (Ontario)), options, forward contracts or swaps. The Fund will not purchase such physical commodities if, immediately after the purchase, the total amount invested by the Fund in such commodities would exceed 10% of the Net Asset Value of the Fund.
- 8. **Control Restrictions.** The Fund will not purchase a security of an issuer if, immediately after the purchase, the Fund would hold securities representing more than 10% of either the votes attaching to the outstanding voting securities of that issuer or the outstanding equity securities of that issuer, or purchase a security for the purpose of exercising control over or management of the issuer of the security. If the Fund acquires a security other than as the result of a purchase and the acquisition results in the Fund exceeding the 10% limit described in this paragraph, the Fund shall, as quickly as is commercially reasonable, reduce its holdings of those securities so that it does not hold securities exceeding such limits.

9. **Net Asset Value Restriction.** The Fund will not purchase a security of an issuer if, immediately after the purchase, the total amount invested by the Fund in such issuer exceeds 15% of the Net Asset Value of the Fund. If at any time more than 15% of the Net Asset Value consists of securities of any one issuer, the Investment Advisor will, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of Net Asset Value represented by such securities to 15% or less.

10. **Foreign Investment Entity Proposals, Tax Shelters and Foreign Affiliates.** The Fund will not acquire or continue to hold any security if, as a result of such acquisition or holding, the Fund would be required to include any amount in income for purposes of the Tax Act by virtue of proposed sections 94.1, 94.2 or 94.3 of the Tax Act as set out in the proposals to amend the Tax Act contained in Bill C-10, previously before the 39th Parliament, as such proposals may be enacted or amended. The Fund will not invest in any security that is a “tax shelter investment” within the meaning of section 143.2 of the Tax Act. The Fund will not invest in any security of an issuer that would be a foreign affiliate of the Fund for purposes of the Tax Act.