

FORM 32
(sections 152 and 153 of *The Securities Regulations*)
The Securities Act, 1988

Issuer Bid Circular

ITEM 1 – Name of Issuer

ITEM 2 – Securities Sought:

State the class and number of securities or principal amount of debt securities sought.

ITEM 3 – Time Period:

State the dates on which the issuer bid will commence and close.

ITEM 4 – Method of Acquisition:

State the method by which the securities will be acquired.

ITEM 5 – Consideration Offered:

State the consideration to be offered.

ITEM 6 – Payment for Deposited Securities:

State the particulars of the method and time of payment of the consideration.

ITEM 7 – Right to Withdraw Deposited Securities:

Describe the rights to withdraw securities deposited pursuant to the bid. State that notice of withdrawal of securities deposited must be given in a manner that provides the depository designated under the bid with a written or printed copy and must be actually received by the depository.

ITEM 8 – Source of Funds:

State the source of any funds to be used for payment and, if such funds are to be borrowed, the terms of the loan, the circumstances under which it must be repaid and the proposed method of repayment.

ITEM 9 – Participation:

Where the issuer bid is for less than all of the outstanding securities of that class, state that if a greater number or principal amount of the securities are tendered than the issuer is bound or willing to take up and pay for, the issuer will take up as nearly as may be *pro rata*, disregarding fractions, according to the number or principal amount of the securities tendered.

ITEM 10 – Reasons for the Issuer Bid:

State the purpose and business reasons for the issuer bid, and if it is anticipated that the issuer bid will be followed by a “going-private” transaction, describe the proposed transaction.

ITEM 11 – Trading in Securities to be Acquired:

Furnish, where reasonably ascertainable, a summary showing:

- (a) the name of each stock exchange or other principal market on which the securities sought are traded;
- (b) in reasonable detail for the 12 months preceding the date of the issuer bid, the volume of trading and price range of the class of the securities sought, or in the case of debt securities the prices quoted on each principal market; and
- (c) the date that the issuer bid to which this circular relates was announced to the public and the market price of the securities of the issuer immediately before such announcement.

Indicate any change in a principal market or markets that is planned following the bid.

ITEM 12 – Ownership of Securities of the Issuer:

State the number, designation and the percentage of outstanding securities of any class of securities of the issuer owned or over which control or direction is exercised by each director and senior officer of the issuer, and, where known after reasonable enquiry, by:

- (a) each associate of a director or senior officer of the issuer;
- (b) any person or company holding more than 10 per cent of any class of equity securities of the issuer; and
- (c) any person or company acting jointly or in concert with the issuer;

or, in each case where none are so owned, directed or controlled, a statement to that effect.

ITEM 13 – Commitments to Acquire Securities of Issuer:

Disclose all commitments made by the issuer and, where known after reasonable enquiry, by the persons and companies referred to in item 12, to acquire equity securities of the issuer, and the terms and conditions of any such commitments.

ITEM 14 – Acceptance of Bid:

Where known after reasonable inquiry, state the name of every person and company named in item 12 who proposes to tender or accept the issuer bid and the number of securities in respect of which the person or company proposes to accept the bid.

ITEM 15 – Benefits from the Issuer Bid:

State the direct or indirect benefits to any of the persons named in item 12 of accepting or refusing to accept the issuer bid.

ITEM 16 – Material Changes in the Affairs of the Issuer:

Disclose the particulars of any plans or proposals for material changes in the affairs of the issuer, including, for example, any contract or agreement under

negotiation, any proposal to liquidate the issuer, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it with any other business organization, or to make any material changes in its business, corporate structure (debt or equity), management or personnel.

ITEM 17 – Other Benefits to Insiders, Affiliates and Associates:

If any material changes or subsequent transactions are contemplated, as described in Item 10 or 16, state if known, any specific benefit, direct or indirect, as a result of such changes or transactions to any of the persons named in item 12.

ITEM 18 – Arrangements Between the Issuer and Security Holder:

Provide the details of any contract, arrangement or understanding, formal or informal, between the issuer and

- (a) any security holder of the issuer with respect to the issuer bid, and
- (b) any person with respect to any securities of the issuer in relation to the issuer bid.

ITEM 19 – Previous Purchases and Sales:

State the number and designation of any securities of the issuer purchased or sold by the issuer excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights during the twelve months preceding the date of the issuer bid, including the purchase or sale price, the date and purpose of each transaction.

ITEM 20 – Financial Statements:

- (1) If the most recently available interim financial statements have not been delivered to security holders of the issuer, include the interim financial statements. If interim financial statements are not included, include a statement that the most recent interim financial statements will be sent without charge to anyone requesting them.
- (2) Where interim financial statements are included, include a report of the chief financial officer of the offeree issuer, stating whether in the opinion of the chief financial officer, the financial statements present fairly the financial position of the offeree issuer and the results of its operations for the period under review.

ITEM 21 – Valuation

Where a valuation is provided pursuant to a legal requirement or otherwise:

- (a) include a summary of the valuation disclosing: the basis of computation, scope of review, relevant factors and their values, the key assumptions on which the valuation is based and the extent to which any advantage accruing to a person or company continuing as a security holder of the issuer or its successor after completion of the issuer bid has been considered in the valuation; and
- (b) advise where copies of the valuation are available for inspection and state that a copy of the valuation will be sent to any registered security holder upon payment of a nominal charge sufficient to cover printing and postage.

ITEM 22 – Securities of Issuer to be Exchanged for Others:

Where an issuer bid provides that the consideration for the securities of the issuer is to be, in whole or in part, different securities of an issuer, include the information prescribed for the form of prospectus appropriate for the issuer.

ITEM 23 – Approval of the Issuer Bid:

State that the issuer bid circular has been approved by the issuer's board of directors, disclosing the name of any director of the issuer who has informed the board of directors in writing of his opposition to the issuer bid.

Where the issuer bid is part of a transaction or to be followed by a transaction required to be approved by minority security holders, state the nature of the approval required.

ITEM 24 – Previous Distribution:

If the securities of the class subject to the issuer bid were distributed during the five years preceding the bid, state the distribution price per share and the aggregate proceeds received by the issuer or selling security holder.

ITEM 25 – Dividend Policy:

State the frequency and amount of dividends with respect to shares of the issuer during the two years preceding the date of the issuer bid; any restrictions on the issuer's ability to pay dividends and any plan or intention to declare a dividend or to alter the dividend policy of the issuer.

ITEM 26 – Tax Consequences:

Provide a general description of the consequences of the issuer bid under the *Income Tax Act* (Canada) to the issuer and to the security holders of any class affected.

ITEM 27 – Expenses of the Bid:

Provide a statement of the expenses incurred or to be incurred in connection with the issuer bid.

ITEM 28 – Judicial Developments:

Include reference to recent legal developments if any, relating to the type of transaction or proposed transaction.

ITEM 29 – Other Material Facts:

Describe any:

- (a) material facts concerning the securities of the issuer; and
- (b) any other matter not disclosed in the foregoing that has not previously been generally disclosed and is known to the issuer but which would reasonably be expected to affect the decision of the security holders of the issuer to accept or reject the offer.

ITEM 30 – Solicitations:

Disclose any person or company retained by or on behalf of the issuer to make solicitations in respect of the bid and the particulars of the compensation arrangements.

ITEM 31 – Certificate:

Include a certificate in the following form signed by the chief executive officer, chief financial officer of the issuer, and on behalf of the board of directors, by any two directors of the issuer other than the foregoing, all duly authorized to sign:

“The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made”.

Where the issuer has fewer than four directors and senior officers, the certificates must be signed by all of them.

ITEM 32 – Date of Issuer Bid Circular:

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.