

**NOTICE TO LIONAIRD CLASS MEMBERS
REGARDING T-5 SLIPS ISSUED BY
GOWLINGS/SMITH LYONS LLP IN TRUST**

March 12, 2002

To all Lionaird Class Members:

We apologize for the confusion caused by Gowling Lafleur Henderson LLP/Smith Lyons LLP in trust mailing T-5 slips to each of you without a covering letter or explanation.

In November, 2000, the claims of the Lionaird class members against McColl Turner were settled. The settlement agreement required McColl Turner to immediately pay \$485,000 to Class Counsel in trust. Notice of the settlement was mailed to you in December, 2000, the settlement was approved by the Court on February 14, 2001 and the settlement funds, together with all accrued interest, were distributed to the class members on or about March 30, 2001 (less applicable legal fees, disbursements and GST).

These trust funds earned \$7,003.14 of interest during the period ended March 30, 2001. As noted above, this accrued interest increased the amount which was distributed to each of you. The T-5 slips which were mailed to you represent your proportionate share of this \$7,003.14 of interest income earned in 2001.

Please note that if you are a member of the Lionaird RRSP Subclass, that is, if you hold your Lionaird notes in your RRSP or RRIF, **you do NOT have to report this interest income for tax purposes**. You may simply ignore the T-5 slip which we sent you. Your RRSP or RRIF is entitled to earn this interest on a tax-free basis. Tax will apply when you withdraw these funds from your RRSP or RRIF.

If you are not a member of the Lionaird RRSP Subclass, that is, if you hold your Lionaird notes directly, you must report this interest as income received in 2001 for tax purposes.

For greater clarity, we have included a list of all the T-5's which we sent out. You may verify from this list whether or not you must include this interest income for tax purposes in your 2001 tax return.

Once again, we apologize for any confusion which we may have caused. If you have any questions you may reach us at the contact numbers listed below.

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