

NOTICE

TO: ALL PURCHASERS OF NOTES OF LIONAIRD CAPITAL CORP.
AND TO: ALL PURCHASERS OF UNITS OF NORTH GEORGE CAPITAL LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL II LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL III LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL IV LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL V LIMITED PARTNERSHIP

**Please read this notice carefully.
It affects your legal rights.**

On September 25, 2006, the Ontario Superior Court of Justice (Commercial List) issued a judgment (the "Judgment") in favour of the Dyck Subclass against Irvine Dyck ("Dyck"). You have been sent this Notice because you are or may be a member of the Dyck Subclass.

The Judgment is for \$3,835,695.07 (inclusive of damages in the amount of \$2,597,585.42, plus interest of \$1,043,301.88 and costs of \$194,807.77). If you have any information regarding Mr. Dyck or the whereabouts of any of his property or assets which could assist Class Counsel in enforcing the judgment, please contact Class Counsel using the contact numbers listed below.

It is quite possible that before we have any opportunity to enforce the judgment, Dyck may file for personal bankruptcy and you should be aware that the liability of Dyck pursuant to the judgment will likely be discharged upon his discharge from bankruptcy.

A further update will follow if moneys become available for distribution as a result of the enforcement of the Judgment. In that event, only persons who are members of the Dyck Subclass, that is, persons who bought securities issued by North George or Lionaird from Dyck or one of his sub-agents, will be eligible to share in any such distribution.

The motion for summary judgment against the defendant, Roderick Alton, was adjourned to December 1, 2006 at 10:00 a.m. All class members are welcome to attend at this hearing, which will be held at 330 University Avenue, Toronto, Ontario. Should you wish to attend, please contact the class members' lawyers to confirm that the motion will be heard as scheduled.

If you wish to obtain further information about the Judgment, please contact the class members' lawyers, Steven Sofer of Gowling Lafleur Henderson LLP at 416-369-7240 or Jeffrey D. Glatt at 416-484-7498.

Publication of this Notice has been approved by the Court.