

FORM 31

TAKE-OVER BID CIRCULAR

ITEM 1 Name of Offeror:

ITEM 2 Name of Offeree Issuer:

ITEM 3 Securities Subject to Bid:

State the class of securities that are the subject of the bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer.

ITEM 4 Ownership of Securities of Offeree Issuer:

State the number, designation and percentage of outstanding securities of any class of securities of the offeree issuer owned or over which control or direction is exercised

- (a) by the offeror,
- (b) by each director and senior officer of the offeror, and
- (c) if known after reasonable inquiry, by
 - (i) each associate of a director or senior officer of the offeror,
 - (ii) any person or company holding more than 10% of any class of equity securities of the offeror, and
 - (iii) any person or company acting jointly or in concert with the offeror,

or if none are so owned, directed or controlled, a statement to that effect.

ITEM 5 Trading in Securities of the Offeree Issuer:

(1) State, where known after reasonable inquiry has been made, the number and designation of any securities of the offeree issuer traded by the persons or companies referred to in Item 4

during the 6-month period preceding the date of the take-over bid, including the purchase or sale price and the date of each such transaction.

(2) If no securities referred to in subsection (1) were traded, so state.

ITEM 6 Commitments to Acquire Securities of Offeree Issuer:

Disclose all commitments made

- (a) by the offeror, and
- (b) where known after reasonable inquiry, by the persons and companies referred to in Item 4,

to acquire equity securities of the offeree issuer, and the terms and conditions of any such commitments.

ITEM 7 Terms and Conditions of the Take-Over Bid:

State

- (a) the terms of the take-over bid, and
- (b) where the obligation of the offeror to take up and pay for securities under the take-over bid is conditional, the particulars of each condition.

ITEM 8 Payment for Deposited Securities:

State the particulars of the method and time of payment of the cash or other consideration to be paid for the securities of the offeree issuer.

ITEM 9 Right to Withdraw Deposited Securities:

(1) Describe the withdrawal rights of the security holders of the offeree issuer under the bid.

(2) State that notice of withdrawal of securities deposited must

- (a) be given in a manner that provides the depository designated under the bid with a written or printed copy, and
- (b) be actually received by the depository.

ITEM 10 Arrangements to Pay for Deposited Securities:

State

- (a) the source of any funds to be used for payment, and
- (b) 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 11 Trading in the Securities to be Acquired:

- (1) State the principal market or markets for the securities of the offeree issuer sought to be acquired pursuant to the take-over bid.
- (2) Indicate any change in a principal market that is planned following the bid, including but not limited to listing or de-listing on an exchange.
- (3) Furnish, where reasonably ascertainable, a summary showing in reasonable detail the volume of trading and price range of the securities in the 6-month period preceding the date of the take-over bid.
- (4) State
 - (a) the date that the take-over bid to which this circular relates was announced to the public, and
 - (b) the market price of the securities immediately before such announcement.

ITEM 12 Arrangements Between the Offeror and the Directors and Officers of the Offeree Issuer:

State the particulars of any arrangement or agreement made or proposed to be made between the offeror and any of the directors or senior officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office, if the take-over bid is successful.

ITEM 13 Material Changes in the Affairs of the Offeree Issuer:

State the particulars of any information known to the offeror that indicates any material change in the affairs of the offeree issuer since the date of the last published interim or annual financial statement of the offeree issuer.

ITEM 14 Valuation:

If a valuation is provided pursuant to a legal requirement or otherwise,

- (a) include a summary of the valuation disclosing the following:
 - (i) the basis of computation;
 - (ii) the scope of review;
 - (iii) relevant factors and their values;
 - (iv) the key assumptions on which the valuation is based,
- (b) advise where copies of the valuation are available for inspection, and
- (c) state that a copy of the valuation will be sent to any registered holder of securities of the offeree issuer sought to be acquired on payment of a charge sufficient to cover printing and postage.

ITEM 15 Securities of an Offeror or Other Issuer to be Exchanged for Securities of the Offeree Issuer:

(1) If a take-over bid provides that the consideration for the securities of the offeree issuer is to be, in whole or in part, securities of an offeror or other issuer, include the following:

- (a) the information prescribed by the form of prospectus appropriate for the offeror or issuer whose securities are being offered in exchange for the securities of the offeree issuer;
- (b) the financial statement of the offeror or other issuer required to be included in the prospectus, including where the consideration is securities of the offeror,
 - (i) the pro forma balance sheet and income statement of the offeror giving effect to the exchange of securities as at the date of the most recent balance sheet of the offeror that is included in the circular based on the information in the most recent audited financial statements of the offeree issuer,
 - (ii) a description of the basis of preparation of the pro forma financial statements, and
 - (iii) the basic and fully diluted earnings per share based on the pro forma financial statements;

- (c) the particulars of any information known to the offeror that indicates any material change in the affairs of the offeror or other issuer since the date of the last published interim or annual financial statement of the offeror or other issuer.

(2) Repealed

ITEM 16 Right of Appraisal and Acquisition:

State

- (a) any rights of appraisal the security holders of the offeree issuer have under laws governing the offeree issuer, and
- (b) whether or not the offeror intends to exercise any right of acquisition the offeror may have.

ITEM 17 Market Purchases of Securities:

State whether or not the offeror intends to purchase in the market securities that are the subject of the take-over bid.

ITEM 18 Material Changes in the Affairs of the Offeree Issuer:

Disclose the particulars of any plans or proposals of the offeror for material changes in the affairs of the offeree issuer, including any proposal

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

ITEM 19 Other Material Facts:

Describe,

- (a) any material facts concerning the securities of the offeree issuer, and
- (b) any other matter not disclosed in the foregoing that

- (i) has not previously been generally disclosed,
- (ii) is known to the offeror, and
- (iii) would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the offer.

ITEM 20 Judicial Developments:

Where

- (a) the take-over bid is an insider bid, or
- (b) the offeror anticipates that a going private transaction will follow the take-over bid,

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

ITEM 21 Disclosure in Accordance with Form 34:

In the case of a take-over bid to which Item 20 applies, include the disclosure required by Form 34, appropriately modified.

ITEM 22 Approval of the Take-Over Bid Circular:

If the take-over bid is made by or on behalf of an offeror that has directors as defined in the *Securities Act*, state that

- (a) the contents of the take-over bid circular have been approved by its board of directors, and
- (b) the sending of the take-over bid circular to the security holders of the offeree issuer has been authorized by its board of directors.

ITEM 23 Solicitations:

Disclose

- (a) any person or company retained by or on behalf of the offeror to make solicitations in respect of the bid, and
- (b) the particulars of the compensation arrangements.

ITEM 24 Certificate:

Include a certificate in the following form signed,

- (a) if the take-over bid is made by or on behalf of a person or company, other than an individual, by the chief executive officer, the chief financial officer, and, on behalf of the board of directors, by any two directors of the person or company other than the foregoing, duly authorized to sign, and
- (b) if the take-over bid is made by or on behalf of an individual, by the individual:

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.

INSTRUCTION:

If the person or company has fewer than 4 directors and senior officers, the certificate must be signed by all of them.

DATE OF TAKE-OVER BID CIRCULAR

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

ANY FEE PAYABLE TO THE ALBERTA SECURITIES COMMISSION UNDER THE *SECURITIES ACT*, *THE SECURITIES REGULATION* AND THE *ALBERTA SECURITIES COMMISSION RULES* SHALL BE PAID TO THE ALBERTA SECURITIES COMMISSION IN ACCORDANCE WITH THE REQUIREMENTS OF THE FEE SCHEDULE TO THE SECURITIES REGULATION. ANY FAILURE TO ACCOMPANY A FORM OR APPLICATION WITH THE PRESCRIBED FEE SHALL RESULT IN THE RETURN OF THAT FORM OR APPLICATION.