

FORM 32

DIRECTORS' CIRCULAR

ITEM 1 Name of Offeror:

ITEM 2 Name of Offeree Issuer:

ITEM 3 Names of Directors of the Offeree Issuer:

ITEM 4 Ownership of Securities of Offeree 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 or senior officer of the issuer and, if known after reasonable inquiry, by

- (a) each associate of a director or senior officer of the issuer,
- (b) any person or company holding more than 10% 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 5 Acceptance of Take-Over Bid:

Where known after reasonable inquiry, state

- (a) the name of every person or company named in Item 4 who has accepted or intends to accept the offer, and
- (b) the number of securities in respect of which such person or company has accepted or intends to accept the offer.

ITEM 6 Ownership of Securities of Offeror:

When a take-over bid is made by or on behalf of an offeror that is an issuer, state the number, designation and percentage of outstanding securities of the class of any class of securities of the offeror owned or over which control or direction is exercised

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

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

ITEM 7 Relationships Between the Offeror and the Directors and Senior Officers of the Offeree Issuer:

State

- (a) 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,
- (b) the 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, and
- (c) whether any directors or senior officers of the offeree issuer are also directors or senior officers of the offeror or any subsidiary of the offeror and identify those persons.

ITEM 8 Agreement Between Offeree Issuer and Officers and Directors:

State the particulars of any arrangement or agreement made or proposed to be made between the offeree issuer and any of the directors or senior officers of the offeree issuer pursuant to which a payment or other benefit is 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 9 Interests of Directors and Senior Officers of the Offeree Issuer in Material Contracts of the Offeror:

State

- (a) whether any director or senior officer of the offeree issuer and their associates, and
- (b) where known to the directors or senior officers after reasonable inquiry, whether any person or company who owns more than 10% of any class of equity securities of the offeree issuer for the time being outstanding, has any interest in any material contract to which the offeror is a party, and, if so, state particulars of the nature and extent of that interest.

ITEM 10 Trading by Directors and Officers:

(1) State the number of securities of the offeree issuer traded during the 6-month period preceding the date of the directors' circular

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

and the purchase or sale price and the date of each transaction.

(2) Disclose the number and price of securities of the offeree issuer of the class of securities subject to the bid or convertible into securities of that class that have been issued to the directors and senior officers of the issuer during the 2-year period preceding the date of the circular.

ITEM 11 Additional Information:

If any information required to be disclosed by the take-over bid circular prepared by the offeror has been presented incorrectly or is misleading, supply any additional information within the knowledge of the offeree issuer that would make the information in the circular correct or not misleading.

ITEM 12 Material Changes in the Affairs of the Offeree Issuer:

State the particulars of any information known to any of the directors or senior officers of the offeree issuer that indicate 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 13 Other Information:

State the particulars of any other information

- (a) not disclosed in the foregoing but known to the directors, and
- (b) that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the offer.

ITEM 14 Recommending Acceptance or Rejection of a Take-Over Bid:

(1) Include either

- (a) a recommendation to accept or reject the take-over bid and the reasons for such recommendation, or
- (b) a statement that the board of directors is unable to make or is not making a recommendation.

(2) If no recommendation is made, state the reasons for not making a recommendation.

(3) Where a board of directors of an offeree issuer is considering recommending acceptance or rejection of a take-over bid at the time of sending a directors' circular, state that fact and, if desired, advise the security holders of the offeree issuer not to tender their securities until a further communication is received from the directors.

ITEM 15 Response of Offeree Issuer:

- (1) Describe any transaction, board resolution, agreement in principle or signed contract of the offeree issuer in response to the bid.
- (2) Disclose whether there are any negotiations underway in response to the bid that relate to or would result in one or more of the following:
 - (a) a merger or reorganization involving the offeree issuer or a subsidiary or any other extraordinary transaction;
 - (b) the purchase, sale or transfer of a material amount of assets by the offeree issuer or a subsidiary;
 - (c) an issuer bid for or other acquisition of securities by or of the offeree issuer;
 - (d) any material change in the present capitalization or dividend policy of the offeree issuer.
- (3) If there is an agreement in principle, give full particulars.

ITEM 16 Approval of Directors' Circular:

State that

- (a) the contents of the directors' circular have been approved by the directors of the offeree issuer, and
- (b) the delivery of the directors' circular has been authorized by the directors of the offeree issuer.

ITEM 17 Financial Statements:

Where unaudited financial statements of the offeree issuer are included in a directors' circular, include a report of the chief financial officer of the offeree issuer stating whether in his opinion the financial statements present fairly the financial position of the offeree issuer and the results of its operations for the period under review.

ITEM 18 Certificate:

Include a certificate in the following form signed by 2 directors of the issuer, duly authorized to sign on behalf of the board:

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.

DATE OF DIRECTORS' 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.