

DECLARATION RESPECTING A TRADE IN A SECURITY  
UNDER CLAUSE 91(b) OF THE *SECURITIES REGULATION*

TO: THE MANITOBA SECURITIES COMMISSION  
500-400 St. Mary Avenue  
Winnipeg, Manitoba  
R3C 4K5

AND TO:

(the "issuer")

I, \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_,  
in the Province of Manitoba, Canada, acknowledge and declare as follows:

1. That on \_\_\_\_\_, 20\_\_\_\_, I (or \_\_\_\_\_,  
a corporation of which I am the \_\_\_\_\_) (either of which, the "purchaser")  
subscribed for \_\_\_\_\_ (the "securities")  
(describe the securities)  
of the issuer for a total amount of \$ \_\_\_\_\_.

2. That no person or entity other than the purchaser has or is entitled to have any interest in the securities.

3. That the purchase of the securities was made by the purchaser as principal for investment only and not with a view to resale or distribution.

4. That the purchaser is aware of the speculative nature of an investment in the securities and assumes fully all risks attendant thereon.

5. (i) That the purchaser is a related purchaser by reason of the following relationship  
(See NOTE 2):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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OR

(ii) That the purchaser is a sophisticated purchaser and has the financial ability to withstand a loss which might occur as a result of an investment in the securities by reason of the fact that,

(A) the purchaser is an individual and has either,

(I) a minimum net worth of \$250,000. exclusive of home, car and furnishings, or

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(II) a minimum net worth of \$50,000. exclusive of home, car and furnishings, and some income in the last taxation year which would have been taxed at a rate of 50% had it not been for the use by the purchaser of tax shelters, or

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(B) the purchaser is a corporation, and has either,

(I) shareholder equity (paid-up capital plus retained earnings) in excess of \$50,000. or

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(II) net income in the last taxation year of at least \$50,000.

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(C) and the purchaser has the knowledge, experience and sophistication to assess an investment in the securities as a result either of,

(I) previous experience with investments in like securities, or

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(II) expert advice which the purchaser has obtained from a lawyer or accountant who is not currently engaged by the issuer or a promoter of the issuer or a registered broker, broker-dealer, investment dealer, investment counsel or investment dealer who is not a sales agent of the issuer, and as result the purchaser does not require the information and protection that would otherwise be provided under the Act.

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6. That the purchaser has received a copy of an offering memorandum of the issuer dated \_\_\_\_\_ with respect to the securities.

7. THAT THE PURCHASER IS AWARE THAT THE EFFECT OF THE STATUTORY EXEMPTION UPON WHICH THE ISSUER IS RELYING IS TO DEPRIVE THE PURCHASER OF ALL RIGHTS AND REMEDIES ESTABLISHED BY THE ACT WHICH THE PURCHASER WOULD OTHERWISE HAVE, EXCEPT FOR THE CONTRACTUAL RIGHTS OF ACTION SET FORTH IN THE SUBSCRIPTION AGREEMENT AND DESCRIBED IN THE OFFERING MEMORANDUM DELIVERED TO THE PURCHASER WITH RESPECT TO THE SECURITIES BUT WITHOUT DEROGATION FROM ANY OTHER RIGHT OR REMEDY WHICH THE PURCHASER MAY HAVE AT LAW.

8. That the purchaser is aware that the issuer has not been registered with the commission in respect of the securities because the issuer and the promoter(s) of the issuer, if any, are relying upon an exemption under this regulation whereby the issuer and/or promoter of the issuer will be exempted from certain obligations contained in the Act, including the obligation to prepare and file a prospectus with the commission.

**9.** That the investment criteria which qualify the purchaser for the purposes of the exemption upon which the issuer is relying are set forth in this declaration and may be conclusively relied upon for such purposes by the issuer, any promoter(s) of the issuer, and by all sales agents as accurate and complete.

**10.** That the purchaser is aware that a resale of any or all of the securities within 12 months of their date of purchase requires the prior consent in writing of the Director, subject to certain exemptions (see NOTE 3 below).

DATED at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Manitoba, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Witness to purchaser's signature

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Witness's name (Please Print)

\_\_\_\_\_  
Purchaser's name (Please Print)

\_\_\_\_\_  
Address (Please Print)

**NOTE 1 - Completion of Paragraph 5**

A purchaser must complete and initial either clause (i) or (ii) and delete the clause that does not apply. Where a purchaser is completing clause (ii), the purchaser must initial either paragraph (I) or (II) of sub-clause (C) and either paragraph (I) or (II) of sub-clause (A) or (B) depending upon whether the purchaser is an individual or a corporation and the purchaser's financial resources.

**NOTE 2 - Related Purchaser Relationships**

Sufficient particulars must be provided so that it is readily ascertainable that the purchaser is a related purchaser as defined in section 89 of the regulation. The relationship must be identified and the person or company to whom the purchaser is related must also be named and identified. Some examples are: "the purchaser is a Vice-President of XYZ Co., the promoter of the issuer", "the purchaser is the spouse of Jane Doe, the president of ABC Ltd., the general partner of the issuer" and "the purchaser is a corporation all the equity shares of which are owned by John Doe, the brother of James Doe, who is a director of the issuer".

If the purchaser is a related purchaser by virtue of being a close friend or close business associate of a person identified in clause (a) of the definition of "related purchaser" in section 89 of the regulation, that person shall also indicate the length of time that close friendship or close business association has existed, for example, "The purchaser has for the past five years been a close business associate of John Doe, a director of S.T. Ltd., the general partner of the issuer".

**NOTE 3 - Resale of Securities**

In general, resale of the securities within 12 months of their date of purchase calls the investment intent of the purchaser into question. Accordingly, purchasers are required to seek the prior written consent of the Director of the commission to any resale within this 12 month period, unless the issuer of the securities has filed a prospectus with the commission and has obtained a receipt therefor, the proposed purchaser is one of the original purchasers of such securities pursuant to an exemption provided by clause 91(a) or (b) of the regulation or the proposed purchaser is a corporation all of the equity shares of which are owned by original purchasers.

Where the consent of the Director is required for a resale within the 12 month period, such consent will be given where the applicant is able to demonstrate a bona fide change in investment intent for good and sufficient reasons, such as unexpected financial difficulties, the making of a take-over bid or issuer bid or the death of the purchaser and the desire of personal representatives to liquidate the estate or the desire of the purchaser to liquidate, dissolve or otherwise wind-up the affairs of the purchaser.

Any such resale of securities must comply with all applicable legislation then in effect including, where applicable, the provisions of the Act and the regulation.