

Date: July 18, 2005

To: Limited Partners of Titan Investments Limited Partnership (“Titan”) and Other Interested Parties

From: Alger & Associates Inc. – Receiver

Subject: Taxation Matters

On June 30, 2005 Justice Hawco reserved judgment on all of the Court Application matters before him, except for the restatement of T5013 tax information slips for the Titan partnership. A copy of the Order regarding the restatement of the tax information slips, which was entered on July 15, 2005, is available at www.alger.ca.

To this end, the Receiver is in the process of preparing the restated T5013 information slips for 2002 and 2003 and will be including a communication to partners with these information slips when they are issued outlining the process to be followed by partners to submit these restated slips to CRA and obtain the partners’ applicable income tax refunds. These restated information slips will provide for the reversal of over C\$6 million of previously reported partnership income for 2002 and 2003 and the additional reporting of partnership capital losses for Titan’s applicable payments made to Evolution Capital Management Ltd. during those years of between C\$1.6 million and C\$2.3 million, pending discussions with CRA.

With respect to the 2004 T5013 information slips, due to the fact that there has not yet been a Court ruling regarding the requirement for partners to repay monies pursuant to the above-noted Court Application, the Receiver will not be in a position to issue the T5013 slips allocating the capital loss for 2004 to partners until this Court ruling is obtained. However, until such time as this ruling is obtained, partners and their tax advisors can work under the assumption that there will be no income allocated to the partners for 2004, beyond a nominal amount of interest income, and that a partnership capital loss equivalent to Titan’s applicable payments to Evolution Capital Management Ltd. will be allocated to partners once the appropriate basis for allocation has been determined. Again, a communication to partners outlining the process to be followed by partners to submit these slips to CRA will be included with these 2004 tax information slips once they are issued.