April 30, 2009

CONFIDENTIAL JOINT OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom the securities may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of these securities. No securities commission or similar authority in Canada, the United States of America or elsewhere has reviewed or in any way passed upon this document or the merits of the securities offered hereunder and any representation to the contrary is an offence.

This Offering Memorandum is intended solely for use on a confidential basis by those persons to whom it is transmitted. It may not be used for any purpose other than that for which it is being transmitted. Recipients, by their acceptance and retention of this Confidential Offering Memorandum, acknowledge and agree to preserve the confidentiality of its contents, and to return this Offering Memorandum to the Issuers if they do not purchase any of the securities offered hereby.

BULLION MANAGEMENT GROUP INC.
and
BMG BULLIONFUND

CONTINUOUS PRIVATE PLACEMENT OFFERING OF UP TO 1,000 SUBSCRIPTION UNITS,
EACH $5,000 SUBSCRIPTION UNIT CONSISTING OF
COMMON SHARES OF BULLION MANAGEMENT GROUP INC. AND
CLASS E9 MUTUAL FUND UNITS OF BMG BULLIONFUND

Summary of the Offering

Bullion Management Group Inc. ("**BMG**") and BMG BullionFund (the "**Fund**") are together offering (the "**Offering**") a maximum of 1,000 Subscription Units (the "**Subscription Units**") priced at $5,000 per Subscription Unit by private placement to accredited investors in qualifying jurisdictions in Canada (the "**Offering Jurisdictions**"). Please see "**Exemptions from Prospectus Requirements**" below for the qualifications which prospective investors must meet. The Offering will be made through registered dealers. BMG and the Fund are together sometimes referred to herein as the "**Issuers**". A Subscription Unit is not a security in and of itself, but rather represents two distinct securities issued by two distinct issuers: common shares of BMG and Class E9 units of the Fund.

	Number of Units	**Gross Proceeds**	**Proceeds to BMG** (1)	**Proceeds to the Fund** (2)
Per Subscription Unit	1	$5,000	$2,730	$1,920
Total – Minimum Offering	N/A	N/A	N/A	N/A
Total – Maximum Offering	1,000	$5,000,000	$2,730,000	$1,920,000

(1) Estimate of proceeds after the payment of commissions of 9% of the gross proceeds allocable to BMG.
(2) The price of each Class E9 unit fluctuates on a daily basis and is equal to the net asset value thereof on the date of confirmation of trade. The sales charge of 4% per Class E9 unit payable to registered dealers is included in the $5,000 cost per Subscription Unit.

No subscription for less than one Subscription Unit ($5,000) will be accepted. Each subscription for Subscription Units hereunder is subject to acceptance in whole or in part by the Issuers. An initial closing will take place at the discretion of the Issuers, and thereafter multiple subsequent closings may be held until the final closing date of September 30, 2009 (the "**Final Closing Date**"), subject to earlier or later closing at the discretion of the Issuers.

Distributor

White Capital Corporation of Toronto is the exclusive distributor for this offering. For more information contact Matthew White, President, White Capital Corporation: telephone 416.530.0808; toll free 877.613.9176; email matt@whitecapitalcorp.com; website www.whitecapitalcorp.com.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUERS AND THE TERMS OF THIS PRIVATE PLACEMENT, INCLUDING THE MERITS AND RISKS INVOLVED. PRIOR TO PURCHASING SUBSCRIPTION UNITS, PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN LEGAL, BUSINESS AND TAX ADVISORS TO DETERMINE THE APPROPRIATENESS AND CONSEQUENCES OF AN INVESTMENT IN THE ISSUERS, AND ARRIVE AT AN INDEPENDENT EVALUATION OF SUCH INVESTMENT. THERE IS CURRENTLY NO MARKET FOR EITHER OF THE SECURITIES COMPRISING THE SUBSCRIPTION UNITS AND THERE CAN BE NO GUARANTEE THAT A MARKET WILL DEVELOP, PROVIDED THAT CLASS E9 UNITS OF THE FUND ACQUIRED PURSUANT TO THIS OFFERING MAY BE REDEEMED BY THE HOLDER IN ACCORDANCE WITH THE CONSTATING DOCUMENTS OF THE FUND SO LONG AS THOSE UNITS HAVE BEEN HELD AT LEAST FOUR MONTHS AND ONE DAY. CERTAIN RISK FACTORS ARE INHERENT IN AN INVESTMENT OF THIS NATURE. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS WITH RESPECT TO THOSE RISK FACTORS. SEE "RISK FACTORS" BELOW FOR A DISCUSSION OF VARIOUS FACTORS THAT COULD AFFECT THE BUSINESS OF THE ISSUERS.

Neither the delivery of this Offering Memorandum nor any sale hereunder shall create any implication that there has been no change in the affairs of the Issuers, or the facts herein, set forth since the date hereof.

Prospective investors are not to construe as being legal advice the contents of this Offering Memorandum or any other communications from the Issuers or any of their respective affiliates, related parties, officers, agents or employees. Each investor should consult his own counsel, accountant, or business adviser concerning investment in the shares offered hereby.

No person has been authorized to give information or to make any representations that are not contained in this Offering Memorandum, or the current simplified prospectus of the Fund (the "**Simplified Prospectus**"), and any such other information or representations must not be relied upon as having been authorized by the Issuers. No offering literature or advertising in whatever form shall be employed in this offering except for this Offering Memorandum, statements contained herein, the exhibits attached hereto and the Simplified Prospectus.

Each investor will be required to make certain representations to the Issuers, including (but not limited to) representations as to investment intent, net financial assets, income, access to information concerning the Issuers and ability to bear the economic risk of the investment.

This Offering Memorandum contains certain forward-looking statements pertaining to either or both Issuers. Any statements in this Offering Memorandum that are not statements of historical fact may be considered to be forward-looking statements. Written words such as "may", "will", "expect", "believe", "anticipate", "estimate", "intends", "goal", "objective", "seek", "attempt", or variations of these or similar words, identify forward-looking statements. These statements by their nature are estimates of future results only and involve substantial risks and uncertainties, including those detailed from time to time. Actual results could differ materially from those contained in the forward-looking statements and are based on current expectations that involve a number of risks and uncertainties. These and other risks may be detailed from time to time in the Fund's periodic disclosures filed on SEDAR (www.sedar.com).

SUMMARY

The following summary is qualified in its entirety by more detailed information appearing elsewhere in this Memorandum.

Issuers:	BMG BullionFund (the "**Fund**") is an open-end public mutual fund trust formed under the laws of Ontario. Bullion Management Group Inc. ("**BMG**") is a private corporation formed under the laws of the Province of Ontario. Bullion Management Services Inc. ("**BMS**"), a wholly owned subsidiary of BMG, is the trustee and manager of the Fund.
The Offering:	Subscription Units ("**Subscription Units**") are offered to "accredited investors" resident in certain qualifying Provinces of Canada (the "**Offering Jurisdictions**") pursuant to exemptions from the prospectus filing requirements contained in the securities legislation of the Offering Jurisdictions. Subscribers will become common shareholders of BMG and Class E9 unitholders of the Fund.
Two Securities:	A Subscription Unit is not a security in and of itself, but rather represents two distinct securities. Each Subscription Unit represents 1,500 common shares of BMG and a specific number of Class E9 units of the Fund. Class E9 units of the Fund share in the expenses of the Fund on a pro-rata basis with other classes of units, incur an annual management fee of 1.25% of their net asset value ("**NAV**"), calculated daily and paid monthly in arrears, and are subject to an early redemption charge payable to BMS of 3% during the first year, 2% during the second year and 1% during the third year.
Allocation of Cost:	Of the subscription cost of $5,000 per Subscription Unit, $3,000 is allocated to 1,500 common shares of BMG at a price of $2.00 per share, and the balance of $2,000 is allocated to the purchase of Class E9 mutual fund units of the Fund. Of the portion of the cost allocated to Class E9 Fund units, a sales charge of 4% is paid to the registered dealer and the balance is applied to the purchase of Class E9 units at their NAV on the date of confirmation of trade.
Maximum Offering:	1,000 Subscription Units ($5,000,000)
Minimum Offering:	N/A
Minimum Subscription:	One Subscription Unit ($5,000).
Closing Dates:	The initial closing will be held at the Issuers' discretion. The Issuers may hold multiple interim closings between that initial closing and the final closing date of September 30, 2009 (the "**Final Closing Date**"), subject to earlier or later closing at the discretion of the Issuers.
Commissions and Offering Expenses:	BMG estimates that the offering expenses will not be material. All commissions and offering expenses will be payable by BMG, other than the 4% sales charge on Class E9 units of the Fund payable by the subscriber to the registered dealer.
Business of BMG:	Bullion Management Group Inc., through its three subsidiaries, facilitates the purchase and storage of physical gold, silver and platinum bullion by investors through a variety of current and proposed investment products, including units of BullionFund, shares of BullionCorp Inc. and physical BMG BullionBars.
Issued and outstanding capital of BMG:	The total shares of BMG outstanding as of April 30, 2009 were: common shares issued and outstanding 25,012,074 convertible preferred shares issued and outstanding 4,000,000 investor warrants issued and outstanding 2,382,000 common share options issued and outstanding 11,222,765 common share options allocated but not issued or unvested 3,283,465 BMG reserves the right to issue further securities prior to closing upon such terms as it may consider advisable, which terms may be materially different than the terms herein.
BMG BullionFund:	BMG BullionFund is Canada's first RRSP eligible, open-ended mutual fund trust that holds gold, silver and platinum bullion. The Fund purchases equal dollar amounts of each metal and

	seeks to provide investors with a hedge against traditional financial assets and the US dollar in order to achieve capital preservation and long-term appreciation. The Fund does not invest in certificates, use derivatives for any purpose, or invest in securities of companies that may produce bullion. The Fund's bullion is fully insured and stored on a fully allocated, segregated basis under a custodial agreement with Scotia Mocatta. Further information respecting the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com) and relating to its Class A units. The Class E9 Units of the Fund offered hereunder are not qualified by prospectus.
Use of Proceeds:	The net proceeds of the Offering allocable to Class E9 units of the Fund will be used by the Fund to purchase gold, silver and platinum bullion in accordance with its mandate. The net proceeds of the Offering allocable to common shares of BMG will be used to fund commissions and costs of Offering, set up costs relating to the business of Bullion Custodial Services Inc., ongoing international marketing initiatives relating to BMG BullionFund, investor relations and general operating purposes. Net proceeds may also be used to redeem up to one-half of the outstanding convertible preferred shares of BMG at a price of $0.50 each. Upon completion of that redemption it is anticipated that the balance of those preferred shares will be converted to common shares at the same price.
Liquidity:	No prospectus was or will be filed with respect to the Subscription Units, which will be issued under certain registration and prospectus filing exemptions provided in the securities laws of the Offering Jurisdictions and as a result may not be resold, assigned or otherwise transferred other than in accordance with the provisions of the applicable securities laws. BMG is not currently a reporting issuer in any jurisdiction. BMG intends to list its common shares for trading on a recognized North American stock exchange in the future, although there can be no assurance that this expectation will be realized. The Fund is at present a reporting issuer in all of the Provinces and Territories of Canada. Neither the common shares of BMG nor the Class E9 units of the Fund are listed for trading on any stock exchange, over-the-counter market or alternative quotation or trade reporting system. However the Class E9 units may be redeemed by the holder in accordance with the constating documents of the Fund at their then NAV so long as those units have been held at least four months and one day (subject to early redemption charges, if applicable).
Income Tax Considerations:	Prospective purchasers should consult their own tax advisers with respect to their particular circumstances and the principal Canadian federal income tax considerations under the Income Tax Act (Canada) generally applicable to individuals in respect of the acquisition, ownership and disposition of the securities described herein. Further information respecting the tax considerations in general of holding units of the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com) relating to its Class A units. The Class E9 Units of the Fund offered hereunder are not qualified by prospectus.
Risk Factors:	Substantially all of the Fund's assets will be invested in gold, silver and platinum bullion. Accordingly, as a specialized precious metals fund the Fund will be subject to precious metals risk, availability of precious metals risk, foreign currency risk, non-hedging strategy risk, specialization risk and management risk. These risks are described in greater detail in the Fund's simplified prospectus relating to its Class A units. The Class E9 Units of the Fund offered hereunder are not qualified by prospectus. Investment in BMG should be considered speculative. This Offering should be considered only by investors able to assume the risk of substantial loss and to make a long-term investment.
Right of Action:	Purchasers may be entitled to the benefit of certain statutory rights of action if there is a misrepresentation in this Offering, provided that in no event shall either Issuer be liable for the misrepresentations of or respecting the other Issuer.

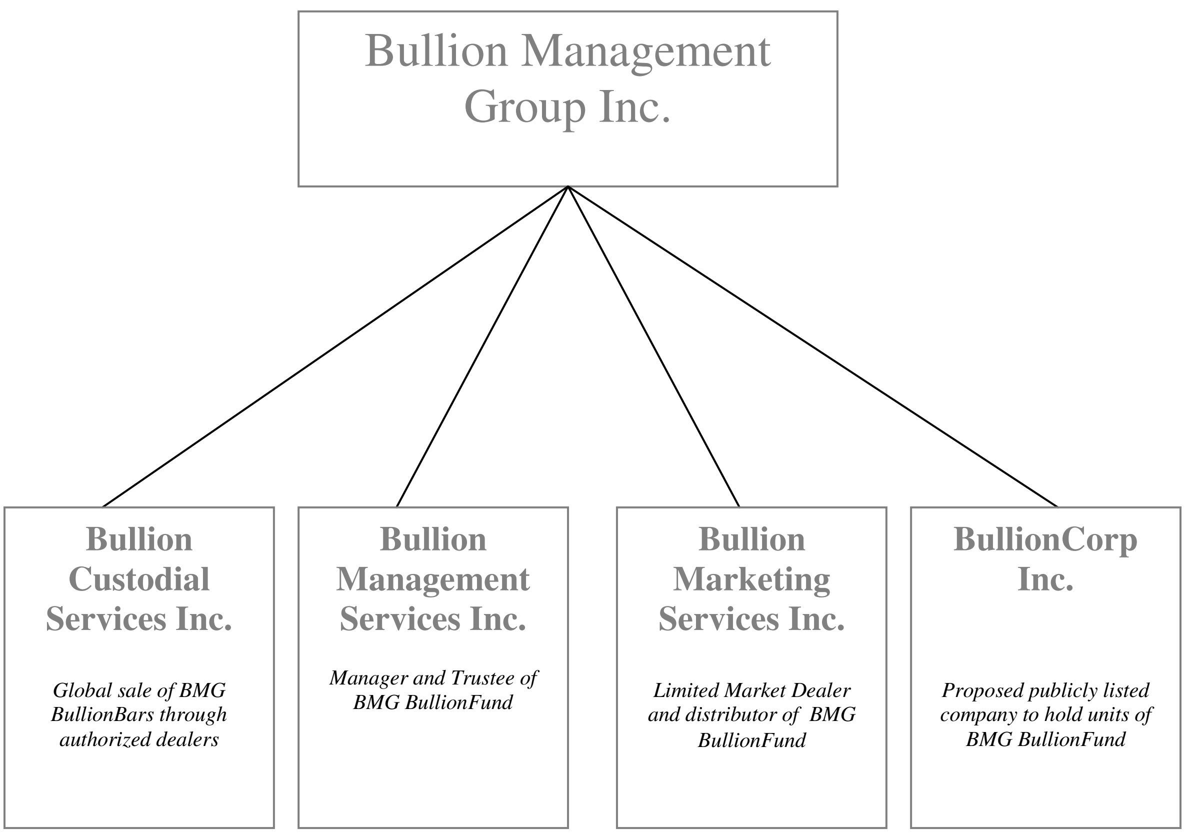
Distribution:	The Offering is being distributed by White Capital Corporation. Interested Dealers should contact: Matthew White White Capital Corporation telephone 416.530.0808 toll free 877.613.9176 matt@whitecapitalcorp.com www.whitecapitalcorp.com

BULLION MANAGEMENT GROUP INC.

Bullion Management Group Inc. ("**BMG**") is a holding body corporate which owns 100% of the issued and outstanding shares in the capital of four operating subsidiaries.

Bullion Management Services Inc. was incorporated under the *Business Corporations Act* (Ontario) on November 3, 1998. Pursuant to a subsequent corporate reorganization all the outstanding shares of Bullion Management Services Inc. were exchanged for shares of Bullion Management Group Inc. and Bullion Management Services Inc. became a wholly owned subsidiary of Bullion Management Group Inc.

The sole activity of Bullion Management Services Inc. is to act as Trustee and Manager of BMG BullionFund (the "**Fund**"). Bullion Custodial Services Inc. was incorporated for the purpose of administering physical BMG BullionBars and providing custodial services to investors globally. Bullion Marketing Services Inc. was established to provide marketing services to both Bullion Management Services Inc. and Bullion Custodial Services Inc. BMG has recently established a new subsidiary, BullionCorp Inc., in order to manage its newest investment product.



BMG was formed in order to provide investors with a number of cost-effective and convenient ways to invest in precious metals. Three forms of bullion investment are or will be provided, including an open-end mutual fund trust, specific bullion bars with allocated, insured storage, and exchange-traded securities. A fourth, leveraged, bullion related investment vehicle will be created once BMG lists its shares. BMG intends to list its common shares for trading on a recognized North American stock exchange in the future, although there can be no assurance that this expectation will be realized.

While many investors and advisors think of precious metals as a cyclical commodity speculation, there are three primary reasons for including precious metals in investment portfolios: strategic asset allocation, tactical asset allocation and hedging. Today, compelling arguments can be made for all three.

Precious metals also help to hedge against low probability catastrophic (‘fat tail’) events such as war, terrorism, natural disasters, health pandemics, systemic financial risks and disruptions of energy supplies.

While precious metals futures contracts and mining shares have been available for many years, and exchange-traded funds (ETFs) have recently gained prominence, the ability to purchase and conveniently store physical bullion on an allocated, segregated and insured basis has not. Moreover, certain investment structures such as registered plans, and certain institutions, hedge funds and mutual funds, were precluded either by law or by their own investment policies from purchasing bullion directly.

Since physical bullion is a tangible asset, its value is independent of someone’s promise of performance (unlike stocks), and it is not someone else’s liability (unlike bonds). Because precious metals are negatively correlated to financial assets, they are an efficient way to hedge financial risk. Paper proxies and derivatives of bullion such as unallocated bullion certificates, commodity futures contracts, mining stocks and ETFs may involve considerably higher levels of risk and volatility, and may not provide the hedging benefit of bullion itself at precisely the time when it is needed most.

While numerous options for speculating in precious metals proxies and derivatives such as options, futures contracts, mining shares and ETFs are available, there is no form of direct bullion investment widely available through traditional advisors.

Those investors seeking to invest in physical bullion can certainly purchase small quantities of bullion bars or coins through dealers, and store them in a home safe or safety deposit box, but there is no widely available cost-effective and convenient way for them to purchase and store larger amounts of physical bullion. There are two major reasons for this. First, traditionally financial advisors such as securities dealers and mutual fund dealers have never offered any direct form of bullion investment to their clients. More importantly, there is no secure, cost-effective, fully segregated, insured storage widely available.

Even for smaller purchases of bullion, the investor must ordinarily establish a new, independent relationship outside of their financial advisor and incur the risks of storage, without insurance protection. Since there is neither a suitable investment structure nor attractive compensation widely available to financial advisors, they are likely to attempt to dissuade clients from purchasing bullion. They may instead recommend mining stocks, mining stock mutual funds, futures contracts or ETFs. However, these forms of precious metals investment vehicles involve much higher volatility and risk levels than bullion, and can become worthless in some circumstances. As a result, they may not function as effective hedges at a time when hedging benefits are needed most.

BMG has established a relationship with Scotia Mocatta, a division of the Bank of Nova Scotia, to provide both on-going storage and trading facilities. Scotia Mocatta is the largest precious metals dealer in Canada, a member of the London Bullion Marketing Association and Chairman of the London Gold Fixing.

RBC Dexia Investor Services Trust (“RBC Dexia”) has been engaged to provide complete back office and reporting services to the Fund and BMG. RBC Dexia is a subsidiary of the Royal Bank of Canada, the largest financial institution in Canada as measured by assets and market capitalization. RBC Dexia provides unitized record keeping, fund valuation and trust accounting services for the Fund.

Royal Trust, a subsidiary of the Royal Bank, has been engaged to provide trustee services for the Fund. This allows Canadians to use their RRSP funds to invest in the Fund without the necessity of first opening a self-directed account. As a result, the Fund is the first investment vehicle available that allows investors to invest in bullion without having a self-directed account.

BMS has contracted with FundSERV to provide online funds transfers from dealers to the Fund's trust account. To ensure acceptance of the Fund by major dealers who hold units in a nominee's name, a Custodial Agreement has been entered into with the Canadian Investor Protection Fund.

BMG's INVESTMENT PRODUCTS

BMG has developed three products designed to satisfy the needs of investors worldwide while preserving the fundamental benefits of owning bullion: units of BMG BullionFund, shares of BullionCorp Inc. and physical BMG BullionBars.

BMG BULLIONFUND

BMG BullionFund is the first open-end mutual fund trust designed to allow investors the opportunity to hold gold, silver and platinum bullion as part of their portfolios. As a security, it qualifies for registered Canadian accounts such as RRSPs and RRIFs, and meets the investment policies of most institutions, mutual funds and hedge funds in Canada and internationally. Under Canadian law, there is no restriction on the number of non-resident investors who may hold units in the Fund, nor is there any applicable federal or provincial sales tax.

As an open-end mutual fund that is priced daily at the prevailing Net Asset Value, unitholders avoid the premium/discount fluctuations of closed-end funds. Liquidity of units is comparable to bullion itself. The only variable affecting the price of units in BMG BullionFund is the daily spot price of gold, silver and platinum, in addition to the expenses of the Fund itself.

The Fund is purposely structured with a fixed investment policy of purchasing equal amounts of each metal at the prevailing spot price. The Fund does not lease its holdings, and no derivatives, futures contracts or options are used. No market timing is used. Because of this, ownership in the Fund is simply an investment in bullion, completely independent of the trading skills of a portfolio manager.

In addition to overall portfolio diversification, internal diversification is also achieved since gold is valued primarily for its monetary value, while platinum and silver are valued primarily for their commodity value. Platinum and silver will, however, tend to track gold in the event of an increase in monetary demand.

The Fund provides one of the most convenient, cost-effective ways to purchase bullion through financial advisors. Ordinary retail buy-sell spreads for smaller purchases are generally 4% for gold, 15% for silver and 10% for platinum. The Fund, however, is able to buy and sell bullion at only a slight variation to the spot price, affording unitholders the economies of scale associated with higher volumes. In addition, there are economies of scale for bar charges, delivery, storage and insurance costs.

The Fund is designed to reduce the risks associated with storage. The Fund's assets are insured and kept in allocated physical bullion, stored on a segregated basis under a Custody Agreement with the Bank of Nova Scotia. As a mutual fund trust, the Fund's bullion holdings are completely secure from any claims by third parties. Bullion holdings are inspected annually by the Fund's directors and auditors.

The Fund offers both Canadian-dollar and US-dollar denominated units, and offers a number of different classes of units in order to accommodate retail investors, high net-worth individuals, institutions and hedge funds both in Canada and internationally. The Fund is on the approved list of most securities and mutual fund dealers in Canada, and has begun to establish distribution channels internationally.

As of April 30, 2009, the Fund held approximately CDN$243 million in Assets Under Management ("**AUM**"). Further information respecting the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com).

BMG BULLIONBARS

For those investors who are able to invest directly in bullion, the mutual fund structure may not provide the most advantageous tax structure, and will incur higher costs due to regulatory and compliance issues.

BMG has developed the software and internal procedures required to market physical BMG BullionBars, for which it will provide optional segregated, insured custodial services to investors worldwide. All bullion will meet Good Delivery standards to ensure liquidity. BMG BullionBars will uniquely identify the owner's name, a description of the bar, bar size and serial number. Bullion Custodial Services Inc. will maintain a register of all BullionBars.

Bullion purchased and stored in Canada is not subject to any federal or provincial sales tax at the time of purchase, or to withholding taxes at the time of sale.

BMG BullionBars are intended to facilitate the purchase and medium to long term holding of physical gold, silver and platinum bullion for investors who are not precluded from owning bullion directly. Since the sale of fully allocated bullion is not the sale of a security, there are no regulatory or compliance issues that need to be met. It is anticipated, however, that distribution will be made through licensed mutual fund dealers and securities dealers throughout the world. Since investors will be able to sell or take delivery of their bullion holdings at any time, BMG BullionBars will provide investors with complete control over their bullion holdings, while at the same time providing secure, convenient and cost-effective insured storage.

BULLIONCORP INC.

BMG's third product is a proposed exchange-traded bullion investment corporation anticipated to be listed on a recognized North American stock exchange in the future. The new vehicle will have the mandate to purchase G15 class units of the Fund. Additional BMG BullionFund unit purchases may be funded by way of a public issuance of BullionCorp shares that may be undertaken with syndicate partners on a continuous basis.

BullionCorp will offer three distinct advantages to financial advisors and their clients, relative to existing exchange-traded bullion products:

1. From each new offering of units, BullionCorp will pay a portion of the selling fees to the licensed investment advisors that participate in the offering. With most current exchange traded products advisors are only able to earn minimal trading fees.

2. Under current administrative practices and depending upon an individual's particular circumstances and certain elections that the individual is entitled to make, shares of BullionCorp held by US investors should be taxed at a lower "long term" capital gains tax rate of 15% rather than the rate of 28% that is applicable to precious metals bullion.

3. It is expected that BullionCorp will represent the first single exchange-traded product offering the superior diversification benefits of gold, silver and platinum bullion.

BMG's REVENUE MODEL

BMG derives its current revenues from the management fees that its subsidiary Bullion Management Services Inc. charges for the Fund's AUM, similar to other asset management firms. Fees range from .50% to 2.25% annually depending on the class of unit. The fee is based on the average daily net asset value of the Fund, and is payable monthly in arrears.

The Fund's net asset value is approximately CDN$243 million as of April 30, 2009. BMG is cash flow positive from revenue at this level of AUM, assuming its current rate of marketing expenditure.

BMG forecasts additional and growing revenue streams following the full market launch of BMG BullionBars and BullionCorp. BMG expects to generate revenues of approximately 1% of total AUM in the three products.

Expenses as a percentage of total assets are expected to decrease with increases in AUM. BMG is expected to benefit from significant operating leverage at higher levels of AUM. In general, net income to BMS is expected to approximate 0.5% of total AUM.

When introducing a new investment product, the ability and track record of the fund manager are as important as the investment concept. BMG BullionFund, however, has a fixed investment policy of purchasing equal amounts of gold, silver and platinum at the prevailing spot prices. As such, neither the investor nor the financial advisor is dependent on the discretionary skills of any individual for the performance of his investment. The only variables are the spot prices of each precious metal, the value of the Canadian dollar, and the expenses of the Fund.

BMG'S CAPITAL STRUCTURE

BMG's authorized share capital consists of an unlimited number of common shares and an unlimited number of convertible preferred shares. As at the date hereof there are 25,012,074 common shares issued and outstanding and 4,000,000 preferred shares issued and outstanding. In addition, as at the date hereof there are 2,382,000 investor warrants issued and outstanding, 11,222,765 common share options issued and outstanding and a further 3,283,465 common share options have been allocated but not issued or vested. BMG reserves the right, in its discretion, to issue during the term of this Offering and thereafter, common shares or other securities in its capital at such prices and upon such terms as it may consider necessary or advisable, and that such terms may be more favourable or less favourable than those provided for in this Offering.

Common Shares
Subject to applicable law, each common share entitles the holder thereof to one vote at all meetings of shareholders and, subject to the prior rights of the holders of preferred shares, to receive any dividends declared by the board of directors and to receive the remaining property and assets of BMG upon dissolution or winding-up. The common shares carry no pre-emptive rights, conversion rights, redemption provisions or sinking fund provisions. There are no restrictions on the repurchase or redemption of the common shares by BMG.

Preferred Shares
Subject to applicable law, the holders of preferred shares are not entitled to vote at meetings of shareholders. The preferred shares have a fixed cumulative dividend of 9% per annum. Each preferred share is convertible at any time at the option of the holder without the payment of additional consideration by the holder thereof into one common share (subject to adjustment). The Company may at any time redeem the preferred shares in whole or part. The preferred shares have other preferential rights relative to other classes of shares of the Company, including the right to repayment of the stated capital thereof and all accrued and unpaid dividends thereon upon dissolution or winding-up in priority to any distribution to the holders of common shares.

CAPITAL STRUCTURE OF THE FUND

Class E9 units of the Fund share in the expenses of the Fund on a pro-rata basis with other classes of units, incur an annual management fee of 1.25% of NAV, calculated daily and paid monthly in arrears, and are subject to an early redemption charge payable to the manager of the Fund of 3% in the first year, 2% in the second year and 1% in the third year.

The Fund is divided into classes of units of participation of equal value. The interest of each holder of units of a class of the Fund is equal to the number of units of that class of the Fund registered in the name of the unitholder. There is no limit to the number of units of a class of the Fund that can be issued, and there is no fixed issue price. Except for management fee distributions, no unit of a class of the Fund has any preference or priority over any other unit of that class of the Fund. Units of a class of the Fund entitle a registered holder to one vote at all meetings of unitholders of that class of the Fund, to participate in all distributions and in the division of the net assets of the Fund on the liquidation of the Fund on a proportionate basis, and to redeem units of that class of the Fund in the manner described in the current annual information form under the heading "Redemption of Units".

Units of a class of the Fund are not transferable, are not entitled to any pre-emptive or conversion rights and there is no liability for future calls or assessments. Fractions of a unit of a class of the Fund are entitled to all of these rights except voting rights. No unitholder of a class of the Fund has individual ownership in any asset of the Fund, nor any rights other than those mentioned in the current annual information form and in the amended and restated master declaration of trust and the amended and restated regulation of the Fund.

Further information respecting the units of the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com).

TAX CONSIDERATIONS

Prospective purchasers should consult their own tax advisers with respect to their particular circumstances and the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) generally applicable to individuals in respect of the acquisition, ownership and disposition of the securities described in this Offering Memorandum. Further information respecting the tax considerations in general of holding units of the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com).

AUDITOR, REGISTRAR AND TRANSFER AGENT

The Auditor of the Fund is KPMG LLP, Chartered Accountants. The Registrar for the Fund is RBC Dexia. BMG acts as its own transfer agent and registrar.

LEGAL PROCEEDINGS

Neither of the Issuers is party to any pending legal proceedings and no such proceedings are known to be contemplated.

CONTINUOUS REPORTING OBLIGATIONS TO INVESTORS

The Fund is a reporting issuer in all of the Provinces and Territories of Canada.

BMG is not a reporting issuer for the purposes of securities legislation in any jurisdiction and is therefore not subject to the continuous disclosure obligations imposed upon reporting issuers by such legislation. If BMG does not become a reporting issuer, the only financial or other information which subscribers will receive concerning the affairs of the BMG will be annual audited financial statements of BMG.

RISK FACTORS

Substantially all of the Fund’s assets will be invested in gold, silver and platinum bullion. Accordingly, as a specialized precious metals fund the Fund will be subject to precious metals risk, availability of precious metals risk, foreign currency risk, non-hedging strategy risk, specialization risk and management risk. These risks are described in greater detail in the Fund’s current annual information form and simplified prospectus filed on SEDAR (www.sedar.com).

The common shares of BMG being offered involve a significant degree of risk and, therefore, should be considered speculative. They should not be purchased by persons who cannot afford the possibility of a substantial loss of that investment.

Prospective investors should carefully consider, among other factors, the risk factors and other special considerations relating to BMG, the Fund and this Offering set forth below. Each prospective investor should also review with its professional advisors the tax and other implications, and the merits and risks, of an investment in Subscription Units.

Best Efforts Offering

No commitment exists by anyone to purchase all or any part of the Subscription Units being offered hereby, and consequently the Issuers can give no assurance that any of the Subscription Units will be sold or that BMG will raise sufficient funds to successfully carry out its business plan.

Arbitrary Offering Price

The price at which the common shares of BMG are being offered has been arbitrarily determined by BMG. The offering price was determined by BMG after considering, among other factors, the total amount of capital required to successfully carry out its business plan, the price per share which might be expected to be acceptable to subscribers, and dilution to be experienced by subscribers.

Development of Business

The success of BMG will depend, among other things, upon its ability to successfully develop and manage its business. There can be no assurance that BMG will be able to successfully expand its revenues or become profitable. Accordingly, the purchase of common shares of BMG offered hereby must therefore be regarded as the placing of funds at risk and in a venture with all the unforeseen costs, expenses, problems, and difficulties to which such ventures are subject.

Loss of Fund Management Revenue

The success of BMG will also depend upon the ability of its subsidiary, Bullion Management Services Inc., to retain its position as trustee and manager of BMG BullionFund. The terms of the amended and restated master declaration of trust for the Fund do not specifically provide for the removal of Bullion Management Services Inc. as trustee, and accordingly BMG expects that Bullion Management Services Inc. will remain as trustee and manager of the Fund until such time as it resigns, or is declared bankrupt, or is wound-up, or is otherwise removed through proceedings initiated by unitholders or regulatory authorities in accordance with applicable law.

Additional Financing Requirements and Dilution

The further development of BMG's business will likely require additional financing. There can be no assurance that BMG will be able to raise sufficient further financing. BMG is authorized to issue an unlimited number of common shares without obtaining shareholder approval, thereby potentially diluting the percentage ownership or voting power of existing shareholders without their approval or consent.

Limitation on Liquidity

The common shares of BMG must be acquired for the account of the subscriber for investment purposes only and cannot be readily resold. No repurchase of those shares is being offered hereby or will be made by BMG. Those shares have not been issued pursuant to a prospectus filed under applicable securities legislation. As a result, those shares are subject to resale restrictions for significant periods of time, which may only be terminated after BMG files a prospectus with respect to its common shares. The lack of registration may result in investors having to hold the shares for an indefinite period of time. See "Resale Restrictions" below. While BMG intends to list its common shares for trading on a recognized North American stock exchange in the future, there can be no assurance that this expectation will be realized.

Competition

BMG and the Fund will be competing with a variety of businesses providing similar or competing products and services, some of which have established public images and greater financial strength and resources than the Issuers. Although the Issuers will offer a range of products and services, these competitive factors could have an adverse effect on the operations of the Issuers, and there can be no assurance that in the future, the Issuers will be able to compete with all other companies engaged in the same line of business.

Control of the Issuers by Principal Shareholders

Upon the completion of the Maximum Offering, management and its associates will still hold control of the issued and outstanding voting shares of BMG. The concentration of ownership in the hands of management may have the effect of delaying or preventing a change in control of the Issuers.

No Assurance of Dividends

There can be no assurance that BMG or the Fund will pay dividends in the foreseeable future. Investors who anticipate the need for immediate income from their investment should refrain from the purchase of the securities being offered hereby.

Dependence on Current Management

BMG's success will depend on the efforts of BMG's management team. The management team will devote all of its time to the business of BMG. The loss of the services of certain of these key management personnel may have a material adverse effect upon the Issuers. BMG's success is also dependent upon the ability of BMG to attract and retain qualified employees and personnel to meet its needs from time to time. BMG does not carry "key man" insurance.

TERMS OF THE OFFERING

The Issuers are seeking to raise up to $5,000,000 by offering a maximum of 1,000 Subscription Units at $5,000 per Subscription Unit. An initial closing will take place at the discretion of the Issuers, and thereafter multiple subsequent closings may be held until the final closing date of September 30, 2009 (the "**Final Closing Date**"), subject to earlier or later closing at the discretion of the Issuers. The Issuers will not accept any subscription for fewer than one Subscription Unit ($5,000). Payment of $5,000 per Subscription Unit (including the 4% sales charge on the Class E9 units) is due in full on Closing.

The Subscription Units are being offered only to "accredited investors" resident in Canada in reliance on section 2.3 of National Instrument 45-106, or upon such other exempt basis as the Issuers may approve. This Offering is being made without general solicitation or general advertising.

All subscriptions are subject to acceptance by the Issuers. The Issuers will not accept any subscription unless the sale of Subscription Units to the subscriber would qualify for one of the exemptions relied upon.

The Subscription Units are being offered through registered dealers. An initial closing will be held at the discretion of the Issuers. The Issuers may hold multiple interim closings between that initial closing and the Final Closing Date.

The Issuers may in their sole discretion reject any subscriptions in whole or in part. In particular, the Issuers reserve the right to reject any subscription from a non-qualifying investor. No security shall be deemed to have been issued until the purchaser's subscription is accepted in writing by the Issuers. No purchaser shall have any recourse against the Issuers if a subscription is rejected in whole or in part. The Issuers are not obligated to notify recipients of this Offering Memorandum that all of the Subscription Units offered hereby have been sold.

Prior to acceptance of any subscriptions by the Issuers, each prospective purchaser will be required to make representations in writing to the Issuers concerning his/her investment intent, investment level, investment experience, net worth, income and/or investment advisers, receipt of this Offering Memorandum, and opportunity to ask questions and receive answers concerning the offering (the actual representations and warranties may vary depending on the Act and the exemption that the prospective purchaser is relying on).

If a subscription is accepted, the Issuers will confirm in writing the purchaser's purchase of the Subscription Units and will arrange with the purchaser for its execution. If a prospective purchaser's subscription is not accepted by the Issuers, the Issuers will promptly cause to be returned to the prospective purchaser, without deduction or interest, all of the subscription price together with all executed documents tendered by the prospective purchaser.

Additional Information

Prospective purchasers are entitled to ask questions of the Issuers or its representatives concerning the business and financial condition of the Issuers and the terms and conditions of this offering, and to request such data as may be necessary to enable the prospective purchaser to make an informed investment decision. Furthermore, upon receipt of a written request, the Issuers will provide copies of documents referred to in this Offering Memorandum to the extent such documents are in the Issuers' possession or can be acquired by the Issuers without unreasonable effort or expense. Further information respecting the Fund can be found in its current annual information form and simplified prospectus filed on SEDAR (www.sedar.com). Further information respecting BMG is available upon request.

Use of Proceeds

BMG estimates that the commissions on the sale of the Subscription Units will not exceed 7% of the gross proceeds of the Offering and that the offering expenses will not be material. All commissions and offering expenses will be payable by BMG, other than the 4% sales charge on Class E9 units of the Fund payable by the subscriber to the registered dealer.

The net proceeds of the Offering allocable to Class E9 units of the Fund will be used by the Fund to purchase gold, silver and platinum bullion in accordance with its mandate. The net proceeds of the Offering allocable to common shares of BMG will be used to fund legal and other set up costs relating to the business of Bullion Custodial Services Inc., ongoing international marketing initiatives relating to Millennium BullionFund, public relations and general operating purposes. Net proceeds may also be used to redeem up to one-half of the outstanding convertible preferred shares of BMG at a price of $0.50 each. Upon completion of that redemption it is anticipated that the balance of the preferred shares will be converted to common shares at the same price.

EXEMPTION FROM PROSPECTUS REQUIREMENTS

The Issuers intend to rely upon certain exemptions from the registration and prospectus-filing requirements under applicable securities law. The Subscription Units are being offered only to “accredited investors” resident in Canada in reliance on section 2.3 of National Instrument 45-106, or upon such other exempt basis as the Issuers may approve. No Subscription Units will be issued to a prospective purchaser unless such issue would meet the requirements of one of those exemptions. This Offering is being made without general solicitation or general advertising. Purchasers purchasing under the “accredited investor” exemption will be required to fill out and sign a declaration (attached to the subscription agreement) confirming their status as an “accredited investor”.

RESALE RESTRICTIONS

The Issuers have not filed a prospectus in connection with the issuance of the Subscription Units under applicable securities law. As a consequence of the Issuers offering the Subscription Units in reliance upon exemptions from the prospectus-filing requirement under securities law, purchasers will be unable to sell, transfer or otherwise deal with securities offered hereby without the filing of a prospectus for that purpose, or an exemption from the same under applicable securities law, or until the expiry of the applicable hold period of four months and one day.

The Subscription Agreement contains representations that a person who executes the same is purchasing as principal with investment intent. In executing the Subscription Agreement, an investor agrees to comply with applicable securities law, and the terms and conditions of this Offering Memorandum, including the provisions relating to any other relevant securities legislation, order or policy concerning the purchase, holding and resale of any securities offered hereby. Subscribers are advised to consult with their legal advisers concerning restrictions on the disposition of their securities and are advised against disposing of any securities until they ascertain that such disposition is in compliance with the requirements of the applicable legislation.

Common shares of BMG issued hereunder to investors may not be resold for a period of at least **four months and one day** from the date BMG becomes a reporting issuer in the investor’s jurisdiction of residence, other than pursuant to a prospectus filed or an exemption provided under Ontario securities law. **Since BMG is not a reporting issuer in any jurisdiction, this could result in investors having to hold the common shares of BMG for an indefinite period of time.**

RIGHT OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers of Subscription Units with, in addition to any other right they may have at law, rights of rescission or damages or both, where this Offering Memorandum, and any amendment thereto and in some cases, advertising, and sales literature used in connection with the offering of Subscription Units, contains an untrue statement of a material fact or the omission of 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. These rights must be exercised by purchasers of Subscription Units within the prescribed time limits under applicable securities legislation. In the case of this joint offering of securities, BMG has agreed to indemnify and save the Fund harmless from and against any and all losses, costs, damages and other expenses arising out of or in connection with the offering of Class E9 units of the Fund pursuant to this Offering Memorandum.

Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the full particulars of these rights or consult with their legal advisor. A summary of these rights of rescission or damages, or both, are described in Schedule "A".

SCHEDULE "A"
RIGHT OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers of Subscription Units (in this Schedule A referred to as "**Units**") with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Offering Memorandum, any amendment thereto and, in some cases, advertising, and sales literature used in connection with the offering of Units, contains a misrepresentation. For the purposes of this section, **"misrepresentation"** means:

(a) an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or the value of Units (a **"material fact"**); or

(b) an omission 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.

These rights must be exercised by purchasers of Units within the prescribed time limits under applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province or territory for the full particulars of these rights or consult with their legal advisor.

Alberta

If this Offering Memorandum contains a misrepresentation, securities legislation in Alberta provides that every purchaser resident in Alberta who buys Units shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against each Issuer and every person or company who signed this Offering Memorandum, but may elect (while still the owner of any of Units that they purchased) to exercise a right of rescission against each Issuer, in which case the purchaser shall have no right of action for damages, provided that:

(c) neither Issuer nor anyone signing this Offering Memorandum will be liable if each Issuer or such person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(d) in an action for damages, neither Issuer nor anyone signing this Offering Memorandum will be liable for all or any portion of such damages if that Issuer or such person or company proves that they do not represent the depreciation in value of the Units as a result of the misrepresentation relied on; and

(e) in no case will the amount recoverable under this right of action exceed the price at which the Units were sold to the purchaser.

In Alberta, no action may be commenced to enforce such right of action described above unless the right is exercised:

(f) in the case of action for rescission, no later than 180 days from the date the purchaser purchased the Units; or

(g) in the case of any action, other than an action for rescission, not later than the earlier of: (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three (3) years from the day the purchaser purchased the Units.

Saskatchewan

If this Offering Memorandum or any amendment thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every purchaser of Units resident in Saskatchewan purchasing Units such that the aggregate acquisition cost to such purchaser is initially not less than CDN$150,000 pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against:

(a) each Issuer;

(b) the promoters of each Issuer;

(c) every person or company that signed this Offering Memorandum or any amendments thereto; and

(d) every person or company that sells Units on behalf of each Issuer under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased Units, the purchaser may elect to exercise a right of rescission against each Issuer, and, when the purchaser so elects, the purchaser shall have no right of action for damages against each Issuer.

No promoter, or person or company that signed this Offering Memorandum will be liable for any part of the Offering Memorandum or the amendment to the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of or an extract from a report, opinion or statement of an expert, unless the promoter, person or company:

(e) failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(f) believed there had been a misrepresentation.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the purchaser has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

(g) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or

(h) no individual is liable if, prior to the purchase of the securities by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

Neither Issuer nor any person or company referred to above will be liable, whether for misrepresentations in the Offering Memorandum or in a verbal statement:

(i) if that Issuer or such person or company proves that the purchaser purchased Units with knowledge of the misrepresentation;

(j) in an action for damages, for all or any portion of the damages that such Issuer or person or company proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied on.

In no case will the amount recoverable by a purchaser exceed the price at which Units were sold to the purchaser.

In Saskatchewan, no action may be commenced to enforce such right of action unless the right is exercised:

(k) in the case of an action for rescission, 180 days after the date the purchaser purchased the Units; and

(l) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the purchaser purchased the Units.

Ontario

Pursuant to OSC Rule 45-501 and section 130.1 of the *Securities Act* (Ontario) (the **"Ontario Act"**), where this Offering Memorandum and any amendment thereto contains a misrepresentation (as defined in the Ontario Act), a purchaser resident in Ontario who purchases Units offered hereby during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and shall have a right of action against each Issuer for rescission or damages, exercisable:

(a) in the case of an action for rescission, within 180 days after the date the purchaser purchased the Units; or

(b) in the case of any action, other than an action for rescission, within the earlier of:

    (i) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action; or

    (ii) three (3) years after the date the purchaser purchased the Units,

provided that:

(c) no Issuer will not be held liable under this paragraph if the Issuer proves that the purchaser purchased Units with knowledge of the misrepresentation;

(d) in an action for damages, each Issuer will not be liable for all or any portion of such damages that each Issuer proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;

(e) in no case will the amount recoverable under this paragraph exceed the price at which the Units were sold to the purchaser; and

(f) the rights herein conferred are in addition to and without derogation from any other right or remedy available at law to the purchaser.

Newfoundland and Labrador

In the event that this Offering Memorandum and any amendment thereto contains a misrepresentation, an investor to whom this Offering Memorandum was delivered and who purchases the Units offered under it will be considered to have relied on the misrepresentation, if it was a misrepresentation on the date of investment, and will have, subject as hereinafter provided, a right of action for rescission or damages against each Issuer and every each person or company who signed the Offering Memorandum, provided that:

(a) neither Issuer nor anyone signing this Offering Memorandum will be liable if each Issuer or such person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) no person or company signing this Offering Memorandum will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such person or company

  (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or

  (ii) believed there had been a misrepresentation;

(c) in an action for damages, neither each Issuer not anyone signing this Offering Memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;

(d) in no case shall the amount recoverable under the right of action described herein exceed the price at which Units were offered; and

(e) the rights of action for rescission or damages are in addition to any other right or remedy available at law to the purchaser.

No action shall be commenced to enforce a contractual right of action unless the purchaser gives notice to each Issuer of the purchaser's intention to exercise such right not more than 90 days subsequent to the date on which the purchaser paid for the Units, and an action is commenced to enforce such right:

(f) in the case of an action for rescission, not later than 180 days from the date the purchaser purchased the Units; or

(g) in the case of an action for damages, not later than 180 days after the person had knowledge of the facts giving rise to the cause of action or in any other case not later than three (3) years from the date the purchaser purchased the Units.

New Brunswick

If this Offering Memorandum or any information relating to the offering provided to the purchaser of the securities thereto or any advertising or sales literature used in connection therewith contains a misrepresentation, every purchaser of Units resident in New Brunswick purchasing Units pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and will have a right of action, in addition to any other rights they may have at law, for damages against each Issuer. Alternatively, the purchaser may elect to exercise a right of rescission against each Issuer, in which case the purchaser shall have no right of action for damages against each Issuer.

In addition, if advertising or sales literature is relied upon by a purchaser in connection with a purchase of Units, the purchaser shall also have a right of action for damages or rescission against every promoter or director of each Issuer.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to Units and the verbal statement is made either before or contemporaneously with the purchase of the Units, the purchaser has a right of action for damages against the individual who made the verbal statement. No such individual will be liable if:

(a) that individual can establish that he or she cannot reasonably be expected to have known that his or her statement contained a misrepresentation; or

(b) no individual is liable if, prior to the purchase of the securities by the purchaser, that individual notified the purchaser that the individual's statement contained a misrepresentation.

Neither Issuer nor any promoter, person or company referred to above will be liable, whether for misrepresentations in the Offering Memorandum, any advertising or sales literature or in a verbal statement:

(c) if the Issuer or such promoter, person or company proves that the purchaser purchased Units with knowledge of the misrepresentation;

(d) in an action for damages, for all or any portion of the damages that each Issuer or such promoter, person or company proves do not represent the depreciation in value of Units as a result of the misrepresentation relied on.

No person, other than the Issuer, is liable for misrepresentations in any advertising or sales literature if the person proves:

(e) that the advertising or sales literature was disseminated without the person's knowledge or consent and that, on becoming aware of its dissemination, the person gave reasonable general notice that it was so disseminated,

(f) that, after the dissemination of the advertising or sales literature and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the advertising or sales literature the person withdrew the person's consent to it and gave reasonable general notice of the withdrawal and the reason for the withdrawal, or

(g) that, with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of, or an extract from, a public official document, it was a correct and fair representation of the statement or copy of, or extract from, the document, and the person had reasonable grounds to believe and did believe that the statement was true.

No person, other than the Issuer, is liable with respect to any part of the advertising or sales literature not purporting to be made on the authority of an expert and not purporting to be a copy of or, an extract from, a report, opinion or statement of an expert unless the person:

(h) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or

(i) believed there had been a misrepresentation.

Any person who at the time the advertising or sales literature was disseminated, sells securities on behalf of each Issuer with respect to which the advertising or sales literature was disseminated, is not liable if that person can establish that the person cannot reasonably be expected to have had knowledge that the advertising or sales literature that was disseminated contained a misrepresentation.

In no case will the amount recoverable by a purchaser exceed the price at which Units were sold to the purchaser.

In New Brunswick, no action may be commenced to enforce such right of action unless the right is exercised:

(j) in the case of an action for rescission, 180 days after the date the purchaser purchased the Units; and

(k) in the case of any action, other than an action for rescission, the earlier of (i) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six (6) years after the date the purchaser purchased the Units.

Nova Scotia

If this Offering Memorandum or any amendment thereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection therewith contains a misrepresentation, every purchaser resident in Nova Scotia of Units in reliance on an exemption under the *Securities Act* (Nova Scotia), the regulations thereunder or a decision of the Nova Scotia Securities Commission pursuant to this Offering Memorandum shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action, in addition to any other rights they may have at law, for damages against each Issuer and every person who signed this Offering Memorandum, but may elect (while still the owner of any of the Units that they purchased) to exercise a right of rescission against each Issuer, in which case he or she shall have no right of action for damages, provided that:

(a) neither the Issuer nor anyone signing this Offering Memorandum will be liable if the Issuer or such person or company proves that the purchaser purchased the Units with knowledge of the misrepresentation;

(b) no person or company signing this Offering Memorandum will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless such person or company

    (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or

    (ii) believed there had been a misrepresentation;

(c) in an action for damages, neither each Issuer not anyone signing this Offering Memorandum will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;

(d) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Units were sold to the purchaser.

No action shall be commenced to enforce these rights more than 120 days after the date on which payment was made for the Units.