



Afri-Can Marine Minerals Corporation



Third Quarter Consolidated Financial Statements (Unaudited) - as at May 31, 2006

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AFRI-CAN MARINE MINERALS CORPORATION

Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

This discussion and analysis of the financial position and results of operations ("MD&A") of Afri-Can Marine Minerals Corporation ("Afri-Can", "the Company", "the Corporation" or "AFA") should be read in conjunction with the accompanying management's responsibility for financial reporting statement, unaudited consolidated financial statements of Afri-Can and the notes thereto for the nine months ended May 31, 2006 and with the audited annual consolidated financial statements and the notes thereto for the year ended August 31, 2005. Unless expressly stated otherwise, all references to dollar amounts are in Canadian dollars.

Management has prepared the unaudited quarterly financial statements as at May 31, 2006 and the Company's external auditor has not reviewed them.

The effective date of this MD&A is July 14, 2006. Additional information about Afri-Can is available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking, and are based on the opinions and estimates of management, or on opinions and estimates provided and accepted by management. These opinions and estimates include those that relate to geological and mining factors, commodity prices and marketing parameters used by management.

Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ, possibly significantly. Readers are therefore cautioned not to place undue reliance on any forward-looking statements.

RESULTS OF OPERATIONS

Afri-Can is a Canadian development stage public company listed on the TSX Venture Exchange. Afri-Can is primarily engaged as a mineral exploration and development corporation in Namibia. Afri-Can's primary objective is to discover and advance the development of its natural resource properties.

Exploration

Joint Venture and Properties in Namibia

BLOCK J / WODUNA CONCESSION

Block J covers an area of 994 km² and occupies a part of the continental shelf in water depths ranging from 70 to roughly 170 m. It is located off the coast of Namibia, 105 km north of Luderitz. The Block J (EPL 2499) concession is subject to an option and joint-venture agreement signed in October 1999 between Afri-Can and Woduna Mining Holding (PTY) Ltd.

Currently, Afri-Can holds a 70% undivided interest and is the operator of the joint venture. Since October 1999, Afri-Can has invested in excess of CDN \$4.25 million on Block J.

The methodical approach used in exploring the concession has allowed the Corporation to complete two successful geophysical surveys and two successful sampling programs.

Afri-Can has completed the first phase of the follow-up sampling program designed to determine the continuity of mineralization along and across the features, establish sufficient quantitative data to support an inferred resource, and provide preliminary data on potential mining economics. A total of 25 samples averaging 13.24 m² each were collected over a sea-floor area of 0.365 km². The samples were taken from 2 anchor spreads from which 21 samples were excavated in the first spread and 4 samples on the second spread. 11 samples were taken within the mineralized area, producing 84 gem quality diamonds, of which the largest stone weighed 0.49 carats.

Afri-Can has completed a reconnaissance-sampling program. The objective of this program was to prove the existence of diamonds and to delineate areas containing diamondiferous sediments. 338 samples were collected from 29 anchor spreads covering an area of 728 m² of gravels. A total of 23 gem quality diamonds weighing 4.65 carats were recovered, of which the largest stone weighed 0.64 carats. The samples were collected from 17 features of which 8 proved to contain diamonds. Two of the samples contained more than one diamond. This is very significant as it proves that concentrations of diamonds occur in some areas well in excess of the normal background concentrations present along and off the West Coast of Namibia. Analysis of the combined data from both programs by Afri-Can's technical team concluded that the diamondiferous nature of Feature H and J has been confirmed, and the extent of the mineralization has been well defined within the area sampled.

Geological evidence gained during the sampling programs has led to an improved understanding of the origin and distribution of the diamonds in Block J. It is now evident that there are three types of diamondiferous deposits: marine gravel lags, paleo-surf zone gravel waves and Aeolian fluvial valleys.

Afri-Can has finalized, the layout of its bulk sampling and pre-feasibility program, which will cover the entire 42.1 km² of indicated mineralized and potentially mineralized zones currently identified on the Block J concession. The objective of the program is to establish mineral resources in accordance with CIM Standards. The next sampling phase will focus on the 7.8 km² areas where diamond deposits have already been delineated.

On January 11, 2006, the Corporation concluded an agreement with **INTERNATIONAL MINING AND DREDGING HOLDING LTD. ("IMD")** in order to resume a sampling program on the marine concession Block J held by the Corporation in Namibia.

IMD is an international marine mining contractor with state-of-the-art geophysical survey and sampling equipment. The parent company of IMD (*ARGO Ship Management & Services s.r.l.*) owns several marine exploration and mining vessels, including the mv Ya Toyvo which has been operating diamond mining projects successfully in Namibian territorial waters for over six years. The vessel designated to conduct the surveying and geotechnical exploration program on Block J is the mv Mare Oceano. The vessel has a gross tonnage of 2,033 tons and is equipped with DGPS positioning system as well as advanced survey and geotechnical equipment.

The agreement states that Afri-Can will pay a mobilization demobilization fee, and daily vessel chartering costs plus fuel consumption. The complete program is estimated to cost up to US \$2.5 million. Under the terms of the agreement, Afri-Can has to make an upfront payment of US \$300,000 upon mobilization of the vessel and pay fuel consumption costs at the end of each month of vessel utilization. The remaining balance, estimated to be about US \$1.8 million, after deduction of the upfront and fuel payments, become due 30 days following the completion of the program. Payment of this balance is subject to payment options approved by Afri-Can's shareholders on February 23, 2006 and this by a vote of 99.8% in favor

of the agreement. As a result of this vote, the IMD agreement is now in force and the exploration program will be implemented once planning and scheduling work has been completed.

Plans for the sampling program include a geophysical survey totaling up to 3,100 lines/km, and the extraction of 319 large samples over the sampling target areas called Features F, H and J. Work is scheduled to start during the second half of 2006, and the complete program will be carried out over a period of about 12 months.

HAIB COPPER CONCESSION

On May 26, 2005 Afri-Can announced that Afri-Can and Deep South had signed an Option and Operating Agreement (“Option Agreement”) with Copper Resources Corporation (“CRC”) whereby CRC would acquire Afri-Can’s option to manage the exploration programs and earn a 70% undivided interest in the Haib Copper project in Namibia. As a result of this transaction, Afri-Can no longer has any financial obligations to Deep South, even in the event that CRC should decide to withdraw from the project.

Selected Nine-Month Financial Information

The following table sets forth selected nine-month financial information for the fiscal year 2006, 2005, 2004, 2003, and 2002.

Nine-Month Periods Ending

For the nine-month period ending:	FISCAL 2006 31/05/06	FISCAL 2005 31/05/05	FISCAL 2004 31/05/04	FISCAL 2003 31/05/03	FISCAL 2002 31/05/02
	\$	\$	\$	\$	\$
General and administrative expenses	912,917	732,727	607,167	642,814	628,537
Loss before write-downs	937,987	808,315	738,931	718,436	671,641
Loss and diluted loss per share (before write downs)	0.008	0.007	0.009	0.009	0.009
Net loss	937,987	971,560	797,382	718,437	671,641
Net Loss and diluted net loss per share	0.008	0.010	0.010	0.009	0.009
Current assets	72,025	1,180,017	110,144	54,565	220,296
Total assets	4,490,250	11,076,877	13,964,850	13,202,917	11,307,342
Current liabilities	77,328	447,328	1,124,370	732,682	566,211
Due to directors	670,004	501,349	537,188	240,667	58,205
Shareholders' equity	3,742,918	10,128,200	12,303,292	12,229,568	10,682,926

Discussion on the Selected Financial Information

Since inception, Afri-Can's business model has been straightforward: develop the Block J concession first and once that project has reached an advanced stage, then begin developing other concessions.

The last major marine exploration programs carried out by the Corporation were done during the fiscal years 2002 and 2003. Until the end of fiscal year 2004, the Corporation's exploration activities were centered on the preparation of an in-depth sampling program for the entire 41 km² already identified as diamondiferous or potentially diamondiferous. The work also included the preparation of a complete Scope of Work combined with the development of an exclusive exploration sampling tool that could be mounted on existing airlift equip vessels.

Many, if not all, of the positive aspects of Afri-Can's marine exploration programs over the 2001 to 2003 period were overshadowed by problems encountered by Afri-Can's competitors. These problems not only had a negative impact on capital markets for those in the offshore marine diamond business, they forced Afri-Can to delay the implementation of its exploration programs in 2004, and as a result, Afri-Can's Block J concession activities were under care and maintenance status during fiscal 2005 and the first quarter of fiscal 2006. While its exploration activities were under care and maintenance, the Corporation concentrated its efforts on strengthening its balance sheet and completing the work required to sign a comprehensive partnership with an experienced technical partner in the industry.

With the signature of our agreement with IMD and its subsequent ratification by shareholders during the second quarter of 2006, the Corporation's Block J concession is no longer under a care and maintenance status.

Over the last five nine-month periods, the average general and administrative expenses and losses before write-downs stood respectively at \$704,832 and \$775,062.

Three factors explain why the nine months numbers for fiscal 2006 are higher than the average: 1) During January 2006, the Corporation granted 2,350,000 options to directors and to an investor relations group and this resulted in a one-time option expensing charge of \$126,030 (please refer to the relevant section of MD&A and Financial Statements, note 7 for details); 2) During fiscal 2006, the Corporation increased its marketing efforts and this resulted in a significant year-over-year increase in Afri-Can's public relations related costs; and 3) Regulatory costs have increased by over 50%.

Overall Nine-Month Performance

Afri-Can's overall financial performance can best be estimated using the Earnings (Loss) plus Exploration Expenses minus Stock Option Expenses analysis, (or E.E.O.). For the first nine months of fiscal 2006, it cost Afri-Can \$ 844,512 (\$ 937,987 + \$ 32,555 - \$ 126,030) to maintain its operations compared with \$ 1,118,277 (\$ 971,560 + \$ 176,147 - \$ 29,430) for the first nine months of fiscal 2005, representing a year-over-year decrease of \$ 273,765 over the same period.

During the nine-month period ended May 31, 2006, the Corporation incurred \$32,555 in care and maintenance and exploration expenses for its marine concessions (versus \$176,147 in care and maintenance expenses for the same period last year). The Corporation's net loss decreased by \$33,573 (or 4%), (\$937,987 versus \$971,560), general and administrative expenses increased by \$180,190 (or 25%) and other costs decreased by \$213,763 (or 89%).

The general and administrative expenses increase of \$180,190 (or 25%) over the same period last year was mainly due to an increase in stock-based compensation expenses of \$ 85,085 (or 289%) (\$ 114,515

versus \$ 29,430); an increase of \$ 12,431 (or 30%) (\$ 53,740 versus \$ 41,309) in information to shareholders and registration fees and an increase in public relations expenses of \$ 139,075 (or 172%) (\$ 219,884 versus \$ 80,809) that could not be fully offset by decreases in professional fees, traveling and office expenses.

Of the \$ 139,075 year-over-year increase in public relations expenses, \$ 11,515 represents option expensing costs related to the issuance of options to Paradox Public Relations. The remaining \$ 127,560 is the result of a decision to spend more funds in order to increase the visibility of the Corporation.

Summary of Quarterly Results

The following table sets forth selected financial information covering the eight most recently completed quarters.

	FISCAL 2006			FISCAL 2005				FISCAL 2004
For the quarter ending:	31/05/06	28/02/06	30/11/05	31/08/05	31/05/05	28/02/05	30/11/04	31/08/04
		\$	\$	\$	\$	\$	\$	\$
General and administrative expenses	245,621	437,801	229,495	221,986	230,379	281,468	220,880	404,277
Loss before write downs	250,599	457,350	230,038	216,366	249,832	338,765	233,179	365,559
Loss and diluted loss per share (before write downs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net loss	250,599	457,350	230,038	5,878,002	413,077	325,304	233,179	4,037,704
Net loss and diluted net loss per share	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.06
Current assets	72,025	39,453	120,816	345,862	1,180,017	53,039	64,515	93,217
Total assets	4,490,250	4,450,811	4,495,872	4,738,641	11,076,877	10,118,987	10,103,720	10,053,595
Current liabilities	77,328	268,958	125,359	133,084	447,328	930,769	730,881	938,334
Due to directors	670,004	493,696	351,037	356,042	501,349	666,060	528,377	812,162
Shareholders' equity	3,742,918	3,688,157	4,019,477	4,249,515	11,128,200	8,519,158	8,844,462	8,303,099

Discussion on the Selected Quarterly Financial Information

Over the last eight quarters, the average general and administrative expenses and loss before write-down stood respectively at \$ 283,988 and \$ 292,711. While third quarter result were once again back under the averages, second quarter results higher than the averages can be explained by the following three factors: 1) During January 2006, the Corporation granted 2,350,000 options to directors and to an investor relations group, and this resulted in a one-time charge of \$126,030 (please refer to relevant section of MD&A and Financial Statements, note 7 for details); 2) Year-over-year costs associated with our annual financial statements reports and AGM increased by over 50%, with the majority of these costs incurred during the second quarter and 3) During fiscal 2006, the Corporation increased its marketing efforts and this resulted a significant year over year increase in our public relations related costs; and

As a result of the above, average general and administrative expenses of about \$280,000 per quarter represents an indicative level of the new quarterly cost of operating the Corporation. Of this amount, \$100,000 represents compensation payable to members of management and professional fees payable to

two directors of the Corporation (please refer to section entitled Transactions with Related Parties for more details).

Overall Quarterly Performance

During the third quarter of fiscal 2006, the Corporation invested \$ 11,488 in exploration expenses (versus \$ 37,263 for the same period last year in care and maintenance related expenses) for its marine concessions. The Corporation's net loss decreased by \$ 162,478 (or 40%), (\$ 250,599 versus \$ 413,077), general and administrative expenses increased by \$ 15,242 (or 7%) and other costs decreased by \$177,720 (or 97%).

Liquidity

As a development stage company, the Corporation does not generate any cash through its operations. The ability of the Corporation to meet its current obligations and future development plans is fully dependent on management's ability to secure sufficient injection of funds from private placements and other equity-related fund raising programs.

Afri-Can's working capital requirement for fiscal year 2006 is around \$180,000 per quarter. This amount does not include management's salaries and fees that are payable, nor professional fees owed to other insiders of the Corporation (please refer to Discussion on the Selected Quarterly Financial Information and Transaction with Related Parties for more details).

The Corporation operates internationally and as such is exposed to fluctuations in foreign exchange rates. The Corporation does not currently use financial instruments to limit its exposure to fluctuations in foreign exchange rates.

The Corporation's working capital deficit situation has improved since February 28th, 2006 where the deficit stood at \$ 229,505. The Corporation's working capital deficit as of May 31, 2006 stood at \$ 5,303 (versus a working capital of \$ 212,778 as of August 31, 2005). The Corporation's current assets as of May 31, 2006 included the following items: cash and cash equivalents \$ 45,762; \$24,264 in amounts receivable; and \$ 1,999 in prepaid expenses.

Afri-Can's \$ 77,328 current liabilities include the following items: \$ 77,328 (\$ 113,867 as of August 31, 2005) in general accounts payable; \$ 0 (\$19,217 as of August 31, 2005) in accrued expenses; and \$ 0 in advance payable.

The Corporation intends to address its working capital deficit through private placements expected to close during the fourth quarter of fiscal 2006.

On April 24, 2006 Afri-Can announced that it would proceed with private placement agreements for a maximum amount of \$2,850,000, (19,000,000 units priced at \$ 0.15 per unit). The negative market conditions for exploration companies' financing that followed the market corrections of the month of May 2006 led Afri-Can's management and board to re-price the private placement at \$0.13 per unit. TSX rules concerning private placements do not allow a Corporation to modify an ongoing private placement price. As a result the Corporation allowed the first private placement effectively to lapse and then announced, on June 13, that the Corporation had replaced the previously announced April 24, 2006 private placement with a placement of \$1,500,070 on revised terms. The revised terms of the new private placement will comprise a maximum of 11,539,000 units priced at \$0.13 per unit. Each unit consists of one common share and one-half of one non-transferable warrant. Each full warrant will entitle the holder to purchase one common share at \$0.18 within 2 years from the date of closing.

By June 13, 2006, the full amount of the new placement had been committed, and the placement is expected to close as soon as authorized by the TSX. As of May 31, 2006, the Corporation had already received \$ 314,725 in cash for the private placement from investors and \$166,400 in cash from an officer of the Corporation. These funds were used to reduce the Corporation's working capital deficit.

The balance of the new placement to be closed during the fourth quarter will be sufficient to cover the amounts required as per the terms of the IMD agreement and the working capital needs of the Corporation until the end of the first quarter of fiscal 2007.

Capital Resources

The Corporation's commitments for capital expenditures for the coming fiscal year are nil. Subsequent to signing the May 26, 2005 transaction with Copper Resources Corporation (CRC), responsibility for exploration expenditures related to the Haib Copper project has now transferred to CRC.

The Corporation's planned marine exploration expenditures are subject to terms of the IMD agreement which was ratified by the shareholders at the Annual General Meeting held on February 23, 2006. Under the terms of the agreement, the Corporation will have a minimum-funding obligation of approximately US \$500,000 over the next twelve months; included in this amount is an upfront payment of US \$300,000 payable to IMD upon mobilization of the vessel. The Corporation intends to fund its exploration programs and working capital requirement out of the funds raised either through private placements or through strategic associations.

Transactions with Related Parties

During the nine month period ending May 31, 2006, the Corporation incurred \$ 95,400 in expenses relating to transactions with Directors as detailed below:

Legal and secretarial services were provided to the Corporation by a director of Afri-Can. For the period ending May 31, 2006, an amount of \$ 39,150 in legal fees was accounted for as professional fees in the Consolidated Statement of Operations and Deficit and as share issuance expenses in the Consolidated Balance sheet with regards to the legal and secretarial services rendered.

Chairman's fees payable of \$ 56,250 were also accounted for as professional fees during the period in connection with consulting services rendered to Afri-Can.

These transactions were made in the normal course of operations of the Corporation and are measured at the exchange value which is the amount agreed upon by both parties involved in the transactions. Amounts due to directors are non-interest bearing and with no specific repayment terms.

Dues to directors payable as at May 31, 2006 include advances made by directors (including the \$ 166,400 subscription in the up-coming private placement), unpaid salaries, legal and other fees, totaling \$ 670,004 (August 31, 2005 - \$356,042). Eighty percent (80%) of the amounts are payable to two members of management who are also directors. The remaining balance is payable to another director of the Corporation.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of

assets and liabilities, related amounts of revenues and expenses, the recoverability of mining properties and deferred exploration and development expenses, the valuation of environmental liabilities and disclosure of the contingent liability. Actual results could differ from those estimates.

A detailed summary of the entire Corporation's significant accounting policies and the estimates derived therefrom is included in Note 2 to the Annual Consolidated Financial Statements for the year ended August 31, 2005.

The following policies are considered to be the critical accounting policies as they involve the use of significant estimates:

1) Translation of foreign currencies:

Monetary assets and liabilities in foreign currency of Canadian corporations and integrated foreign operations are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at exchange rates in effect at transaction dates. Revenue and expenses in foreign currency are translated at the average rate in effect during the year, with the exception of amortization, which is translated at the historical rate. Gains and losses are included in the earnings for the year.

2) Stock option plan:

On September 1, 2002, the Corporation adopted prospectively the new standards for stock-based payments (Section 3870, Stock-Based Compensation and Other Stock-Based Payments). This section defines recognition, measurement and disclosure standards for stock-based compensation to non-employees and employees. Under these new standards, all stock-based payments made to employees and non-employees must be systematically accounted for in the Corporation's financial statements. These standards define a fair value-based method of accounting and encourage companies to adopt this method of accounting for their stock-based employee compensation plans. The Corporation uses the Black-Scholes option-pricing model to estimate the value of the options granted. The cost is recognized as an increase to the compensation expense, deferred expenses, or professional fees and to contributed surplus. Any consideration paid by employees on the exercise of these stock options is credited to share capital.

3) Mining properties and deferred exploration and development expenses:

Costs related to the acquisition, exploration and development of mining properties are capitalized by property until the beginning of commercial production. Accessory revenue, if any, is carried over the period of exploration and development and will result in a decrease of the capitalized expenses. If commercially profitable ore reserves are developed, capitalized costs of the related mining property are reclassified as mining assets and amortized using the unit of production method.

If it is determined that capitalized acquisitions, exploration and development costs are not recoverable over the estimated economic life of the mining property, or the project is abandoned or has been delayed in an important way, the mining property is written down to its net known realizable value.

The recoverability of amounts recorded for mining properties and deferred exploration and development expenses is dependent upon the discovery of economically recoverable reserves, confirmation of the Corporation's interest in the underlying mining titles, the ability of the Corporation to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The amounts shown for mining properties and deferred exploration and development expenses do not necessarily represent actual or future values.

Write-down of Deferred Exploration Expenses

As a matter of policy, Afri-Can undertakes a review of the carrying values of its mining properties and related expenditures during the fourth quarter of each fiscal year or whenever events or changes in circumstances indicate that their carrying values may exceed their recoverable value. A write-down loss is recognized when the carrying value of those assets is not recoverable and exceeds their fair value. In undertaking this review, management is required to make estimates which may be significant. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties and related expenditures.

Changes in Accounting Policies including Initial Adoption

During the fiscal year 2004, the Corporation adopted the *recognition and allocation of an asset retirement cost recommendation of the CICA*.

As per CICA 3110.13: Upon initial recognition of a liability for an asset retirement obligation, an entity should recognize an asset retirement cost by increasing the carrying amount of the related long-lived asset by the same amount as the liability. An entity should subsequently allocate that asset retirement cost to expense using a systematic and rational method over its useful life.

As a result, the following sentence was added to the disclosure related to Afri-Can's accounting policy for environmental cost in fiscal year 2004: "*A corresponding amount will be capitalized to the mining asset and depreciated over its useful life.*"

According to our auditors, there has been no change in accounting policies applicable to the Corporation in 2005.

Outstanding Share Data

As of May 31, 2006, Afri-Can had 107,103,434 shares issued and outstanding (with a paid in value of \$32,211,008), 5,631,562 warrants (7,600,000 as of August 31, 2005) and 3,550,000 options outstanding (1,915,000 as of August 31 2005), for a fully-diluted share position of 116,284,996.

Furthermore, as of May 31, 2006 Afri-Can also had 2,420,961 units to be issued (with a paid in value of \$314,725) as per the ongoing private placement.

SHARE CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of shares of which 107,103,434 were outstanding as of the date hereof.

OTHER

As required by Multilateral Instrument 52-109, Afri-Can evaluated the effectiveness of its disclosure controls and procedures and the internal control over financial reporting as of December 31, 2005 under the supervision and with the participation of the President and Chief Executive Officer and the Executive Vice-President and CFO. Based on the results of this evaluation, the President and Chief Executive Officer and the Executive Vice-President and CFO concluded that the design and operation of these disclosure controls and procedures were effective.

The only issue identified during the process was related to internal control over financial reporting. The issue identified, the Collusion Potential Risk, is one that affects small public companies. As a small organization, the Corporation's management is composed of a small number of key individuals, resulting in a situation where collusion between these key individuals is a theoretical possibility. The solution to this issue would require the Corporation to hire additional staff in order to provide greater segregation of duties. Since the increased funding costs of such hirings could threaten the Corporation's financial viability, Afri-Can's management has chosen not to modify the present situation, but to disclose the potential risk in its filings.

RISKS

All of the resource properties in which the Corporation has joint-venture agreements are at the exploration stage only and are without a known body of commercial ore or minerals. Substantial expenditures are required for both our marine and base metal exploration programs and the development of reserves. In the absence of cash flow from operations, the Corporation relies on capital markets to fund its exploration and evaluation activities. Capital market conditions and other unforeseeable events may impact the Corporation's ability to finance and develop its projects.

The Corporation intends to continue the evaluation and exploration of its properties subject to the availability of financing on acceptable terms. The Corporation intends to finance these activities either through existing financial resources or through additional equity or quasi-equity financing. However, there can be no assurance that the Corporation will be able to raise such additional equity.

(s) Bernard J. Tourillon
Bernard J. Tourillon, MBA
Executive Vice-President and CFO

Montreal, July 14, 2006