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The Deposit Notes may not be offered or sold in any jurisdiction outside of Canada except in circumstances which do not constitute a public offering or distribution under the laws of the jurisdiction where the Deposit Notes are to be offered or sold. In particular, the Deposit Notes have not been and will not be registered under the United States Securities Act of 1933 and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, United States persons.

No securities commission or similar authority in Canada or elsewhere has in any way passed upon the merits of the Deposit Notes and any representation to the contrary is an offence.

Information Statement

Dated August 7, 2007

DUNDEE BANK OF CANADA 

BOOSTED INCOME DEPOSIT NOTES, SERIES 1

Due October 5, 2010

Principal Protected Deposit Notes

Maximum 12.00% Annual Coupon

Coupons Linked to the Price Performance of a Basket of Global Shares

Price: \$100.00 per Deposit Note

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DESCRIPTION OF THE DEPOSIT NOTES

The following is a description of the terms of the Dundee Bank of Canada Boosted Income Deposit Notes, Series 1 (individually a "Deposit Note" and collectively the "Deposit Notes"). All references to the Deposit Notes and a Deposit Note in this Information Statement will include the Global Note. Unless otherwise indicated, references to "\$" are to Canadian dollars. Capitalized terms that are not otherwise defined herein are defined under "Additional Definitions".

Issue:	Boosted Income Deposit Notes, Series 1. Each Deposit Note will entitle the holder to repayment at maturity of the Principal Amount plus an annual payment of Coupon Amounts up to a maximum of 12% of the Principal Amount determined by reference to the price performance of a notional basket of global shares.										
Issuer:	Dundee Bank of Canada ("DBC").										
Price Per Deposit Note:	\$100.										
Minimum Purchase:	\$2,000 (20 Deposit Notes).										
Trade Date:	October 5, 2007.										
Issue Date:	On or about October 5, 2007.										
Maturity Date:	On or about October 5, 2010.										
Share Basket:	<p>The notional reference portfolio (the "Share Basket") consists of equally weighted shares (each a "Share" and collectively, the "Shares") of the issuers thereof listed below (each a "Company" and collectively, the "Companies"). Brief descriptions of the businesses of the Companies and information on their historical share prices are set out below under "THE SHARE BASKET".</p> <table><tr><td>• Amazon.com, Inc.</td><td>• eBay Inc.</td></tr><tr><td>• Anglo American PLC</td><td>• Mitsui & Co., Ltd.</td></tr><tr><td>• Apple Computer, Inc.</td><td>• Schlumberger Limited</td></tr><tr><td>• Arcelor Mittal</td><td>• SoftBank Corp.</td></tr><tr><td>• British Energy Group PLC</td><td>• Vallourec</td></tr></table>	• Amazon.com, Inc.	• eBay Inc.	• Anglo American PLC	• Mitsui & Co., Ltd.	• Apple Computer, Inc.	• Schlumberger Limited	• Arcelor Mittal	• SoftBank Corp.	• British Energy Group PLC	• Vallourec
• Amazon.com, Inc.	• eBay Inc.										
• Anglo American PLC	• Mitsui & Co., Ltd.										
• Apple Computer, Inc.	• Schlumberger Limited										
• Arcelor Mittal	• SoftBank Corp.										
• British Energy Group PLC	• Vallourec										
Payment at Maturity:	The amount payable on each Deposit Note on maturity will be equal to the \$100 Principal Amount.										
Coupon Amount:	<p>The Coupon Amount payable on a Coupon Payment Date will be an amount in Canadian dollars calculated as follows:</p> <p>Coupon Amount = Principal Amount x Coupon Rate</p> <p>The Coupon Amount that may be payable on a Coupon Payment Date is uncertain. A Noteholder will not receive a Coupon Amount on a Coupon Payment Date if the average of the Share Returns, as defined below, is equal to or less than zero in that year. In no circumstance will a Coupon Amount exceed 12% of the Principal Amount.</p>										
Coupon Payment Dates:	<p>Subject to Special Circumstances, the Coupon Payment Dates are:</p> <p>October 5, 2008 October 5, 2009 October 5, 2010</p> <p>A Coupon Amount will be payable on a Coupon Payment Date without any need for the Noteholder to elect or otherwise take any action (subject to (i) the postponement of the</p>										

determination of a Coupon Amount due to a Market Disruption Event, or (ii) the earlier occurrence of an Extraordinary Event, as described under "SPECIAL CIRCUMSTANCES"). If a day that would otherwise have been a Coupon Payment Date is not a Business Day, the payment of a Coupon Amount shall be made on the following Business Day and no further interest or other compensation will be paid in respect of such delay.

Coupon Rate: The average expressed as a percentage rounded to two decimal places of the Share Returns for the 10 Shares in the Share Basket as determined on the relevant Valuation Date.

Share Return: For each Share in the Share Basket, in determining the Coupon Rate for the relevant Coupon Payment Date, the Share Return is:

1. where the applicable Share Performance is equal to or greater than zero, 12.00%; or
2. where the applicable Share Performance is negative, the actual Share performance, subject to a Share Return of no less than -25%.

Share Performance: For each Share in the Share Basket, in determining the Coupon Rate for the relevant Coupon Payment Date, the Share Performance, rounded to two decimal places and expressed as a percentage is calculated as follows:

$$\text{Share Performance} = (\text{Valuation Price} - \text{Initial Price}) \div \text{Initial Price}$$

Valuation Date: For each Share in the Share Basket, the third Business Day immediately preceding each Coupon Payment Date (each such date, a "**Valuation Date**"), unless the Valuation Date is not an Exchange Day for one or more specific Shares, in which case the Valuation Date for those specific Shares means the first immediate preceding Exchange Day.

Valuation Price: The Closing Price for each Share in the Share Basket on the relevant Valuation Date.

"**Closing Price**" means, in respect of a Share, the official closing price for that Share as announced by the relevant Exchange, provided that, if on or after the Issue Date such Exchange materially changes the time of day at which such official closing price is determined or no longer announces such official closing price, DBC may thereafter deem the Closing Price to be the price of that Share as of the time of day used by such Exchange to determine the official closing price prior to such change or failure to announce.

Initial Price: For each Share in the Share Basket, the Closing Price of that Share on the Issue Date unless the Issue Date is not an Exchange Day for one or more specific Shares, then the Initial Price for those specific Shares means the Closing Price of that Share on the first Exchange Day following the Issue Date.

Exchange Day: For each Share in the Basket, any day on which the Exchange and each Related Exchange for that Share are scheduled to be open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Special Circumstances: If a Market Disruption Event in respect of a Share occurs on a day on which the Closing Price of such Share is to be determined for calculating a Coupon Amount, determination of that Closing Price will be postponed to a later date. The occurrence of an Extraordinary Event may accelerate the payment of all remaining Coupon Amounts and change the manner in which they are calculated. However, the Principal Amount of each Deposit Note will not be payable until the Maturity Date regardless of the occurrence of a Market Disruption Event or Extraordinary Event. Upon the occurrence of certain events in respect of a Company, such as a merger or nationalization, DBC may add a new share to the Share Basket as a replacement for the Share of such Company, and may accordingly make other adjustments. In other circumstances, such as a Share split or extraordinary dividend in respect of a Share in the

Share Basket, DBC may adjust any one or more of the Initial Price or the formula for calculating its Share Return, or another component or variable relevant to the determination of a Coupon Amount to account for those circumstances. See "SPECIAL CIRCUMSTANCES".

Selling Agent: Dundee Securities Corporation ("DSC"), an affiliate of DBC.

Calculation Agent: DSC.

Eligibility for Registered Plans: The Deposit Notes offered hereby would, if issued on the date of this Information Statement, be qualified investments under the *Income Tax Act* (Canada) (the "Tax Act") for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans or deferred profit sharing plans (other than trusts governed by deferred profit sharing plans for which any of the employers is DBC, or an employer with which DBC does not deal at arm's length within the meaning of the Tax Act).

Secondary Market: The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market will develop or be maintained or that Noteholders will be able to sell their Deposit Notes. DSC will use its reasonable efforts to arrange for a secondary market for the sale of Deposit Notes through FundSERV. DSC may, from time to time, purchase and sell Deposit Notes, but will not be obligated to do so. Sales of Deposit Notes may be subject to an Early Sales Charge. If DSC offers to purchase Deposit Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Deposit Notes. The resale price of Deposit Notes could be below the \$100 Principal Amount per Deposit Note. For further information, see "RELATED MATTERS – Secondary Market" and "RISK FACTORS – Secondary Market for the Deposit Notes".

Early Sales Charge:

If Sold Within the Specified Number of Months of Issue Date	Early Sales Charge
0-12 Months	4.50%
12 – 18 Months	3.25%
18 Months or More	Nil

Rank: The Deposit Notes will evidence deposit liabilities of DBC and will rank equally and rateably with all other outstanding deposit liabilities of DBC and by their terms will be fungible. The Deposit Notes will be unsubordinated and, as among themselves, the Deposit Notes will rank equally in payment and priority.

CDIC Insurance: The Deposit Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance regime.

Fees and Expenses: DBC will pay DSC, from its own funds, a selling commission of 3.25% of the Principal Amount of each Deposit Note.

Credit Rating: Neither DBC nor its deposit liabilities, including the Deposit Notes, have been rated by any rating agency.

Suitability: The Deposit Notes provide a deposit opportunity but may pose risks. Some of these risks result from the possibility of fluctuations in interest rates and Closing Prices of each of the Shares in the Share Basket. The Deposit Notes are subject to certain risks that are distinct from a direct investment in the Shares in the Share Basket and do not represent any ownership interest in any Shares in the Share Basket at any time. The Deposit Notes are suitable only for investors prepared to assume risks with respect to the objectives of the

Deposit Notes. The return on the Deposit Notes, if any, is uncertain and an investor may not receive annual coupon payments or anything more at maturity than the Principal Amount which is only guaranteed by DBC if the Deposit Notes are held to maturity. Disposition of the Deposit Notes prior to maturity may result in loss. There will be no payments to Noteholders during the term of the Deposit Notes. See "RISK FACTORS".

Income Tax Considerations:

The full amount of each Coupon Amount generally will be included in the Noteholder's income in the Noteholder's taxation year that includes the applicable Coupon Payment Date.

A disposition of a Deposit Note prior to the Maturity Date may give rise to a capital gain (or capital loss) to the extent the Noteholder's proceeds of disposition net of any amount required to be included in the income of the Initial Noteholder as interest exceed (or are less than) the aggregate of the adjusted cost base of the Deposit Note and any reasonable costs of disposition. It is recommended that Noteholders consult their tax advisor with respect to their particular circumstances if the Deposit Notes are to be sold prior to the Maturity Date. See "CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS".

Distribution:

The Deposit Notes are being offered through FundSERV. Funds in respect of all subscriptions shall be payable at the time of subscription. A Global Note for the aggregate Principal Amount of the Deposit Notes issued on the Issue Date will be issued in registered form to CDS on the Issue Date (the "Global Note"). The Deposit Notes may not be called for redemption by DBC or Noteholders prior to maturity.

Orders for purchases of Deposit Notes may be accepted in whole or in part. DBC may allot Deposit Notes to an investor in an amount less than that subscribed for by the investor. DBC may discontinue accepting subscriptions at any time without notice. DBC may at any time prior to the Issue Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposit Notes.

DSC, as Selling Agent, will deposit the subscription funds it receives in trust for the investors in an account bearing interest at a rate of 4% until the fifth Business Day preceding the Issue Date. On the Issue Date, the interest earned on the subscription funds will be used to subscribe for Deposit Notes. See "RELATED MATTERS – Interest on Subscription Funds".

Book-Entry System:

The Deposit Notes will be represented in the form of a fully-registered book-entry-only Global Note held by or on behalf of CDS in Toronto, Canada as custodian of the Global Note (for its Participants), and registered in the name of CDS in Toronto or its Nominee. DBC will issue Deposit Notes evidenced by certificates in definitive form to a particular Noteholder only in limited circumstances. Beneficial interests in the Global Note, constituting ownership of Deposit Notes, will be represented through book-entry accounts of Participants acting directly or indirectly on behalf of Noteholders in accordance with the procedures of the Participants.

Governing Law:

The Deposit Notes and the terms thereof will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable in Ontario.

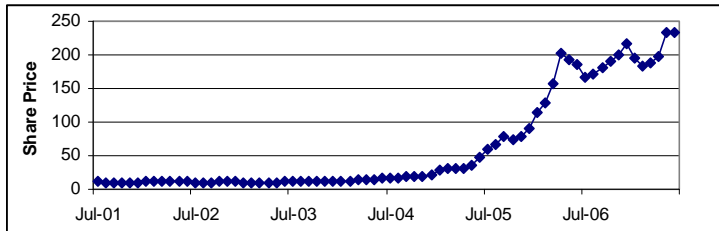
Right of Rescission:

A person may rescind an order to buy a Deposit Note (or its purchase, if issued) within 48 hours following the earlier of actual receipt or deemed receipt of this Information Statement. In such case, the person will receive a refund of the purchase price and any fees relating to the purchase that have been paid by the person. This rescission right does not extend to purchasers buying a Deposit Note in the secondary market. A person will be deemed to have received this Information Statement: (a) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (b) on the day recorded as the time of sending by fax machine, if provided by fax; (c) five days after the postmark date, if provided by mail; and (d) when it is received, in any other case.

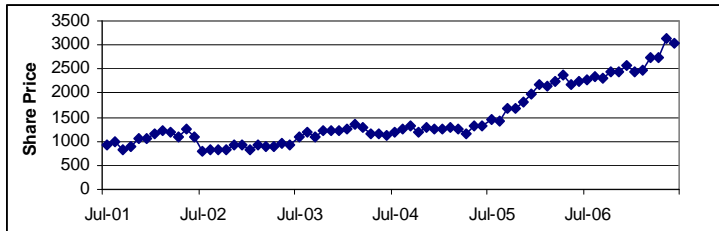
THE SHARE BASKET

All information in this Information Statement relating to the Shares is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither DBC nor any investment dealer, broker or agent selling the Deposit Notes assumes any responsibility for the accuracy or completeness of such information. The charts showing historical price performances of the various Shares include month-end Closing Prices from and including July 1, 2001 to and including July 1, 2007 (where available). Historical price performance of a Share will not necessarily predict future price performance of the Share. Market capitalization data is as of July 1, 2007 expressed in Canadian Dollars using foreign exchange rates prevailing on July 1, 2007. It is important to note that it is very unlikely that any Coupon Amounts payable in respect of the Deposit Notes and the value of the Deposit Notes themselves will track the future price performance of any Share or the Shares collectively.

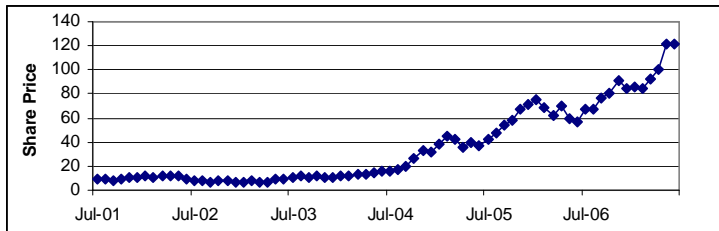
There is no requirement for DBC to hold the interests in the Share Basket. Noteholders will not be entitled to the rights and benefits of holders of the Shares, including any right to vote at or attend meetings of security holders.



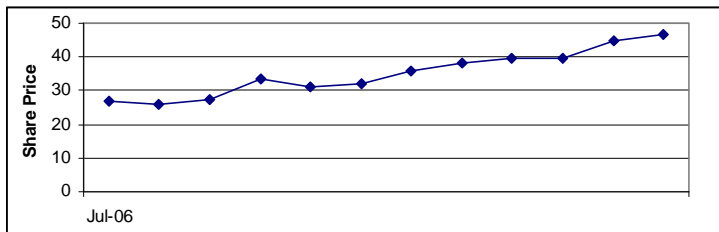
Amazon.com, Inc., an online retailer, sells books, music, videotapes, audiotapes and other products. The Company offers a catalogue of approximately three million titles, search and browse features, e-mail services personalized shopping services, Web-based credit card payment, and direct shipping to customers.



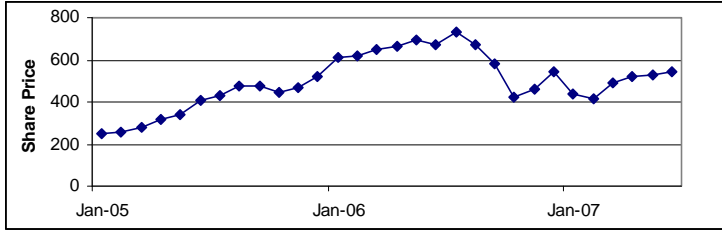
Anglo American plc is a global mining and natural resources company, which has interests in platinum, gold, diamonds, coal, base metals, ferrous metals, industrial minerals, and paper and packaging. The Group is geographically diverse, with operations in Africa, Europe, North and South America, Australia, and Asia.



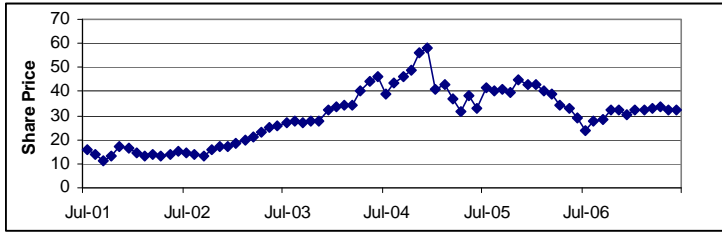
Apple Inc. designs, manufactures and markets personal computers and related personal computing and communication solutions. The Company's products are sold primarily to education, creative, consumer and business customers. Apple provides its proprietary desktop and notebook computers, operating system, applications, music players and online music store.



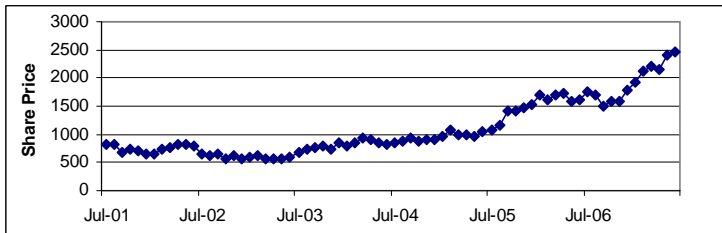
Arcelor Mittal produces steel. The Company manufactures cold rolled, elect4rogalvanized and coated steels, slabs, special quality bars, and wire rods. Arcelor Mittal has steel making operations in Europe, the Americas, Asia and Africa.



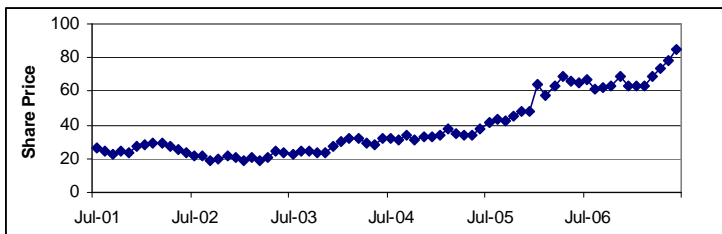
British Energy Group PLC generates and sells electricity. The Company operates nuclear power plants in the United Kingdom.



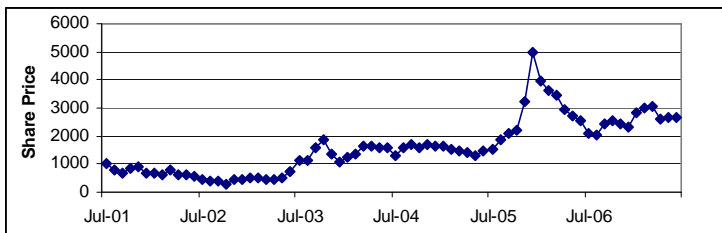
eBay Inc. is a person-to-person trading community on the internet. The Company's service is used by buyers and sellers for the exchange of personal items such as coins, collectibles, memorabilia, stamps and toys. eBay is a fully automated, typically arranged 24-hour service on which sellers can list items for sale and buyers can bid on the items.



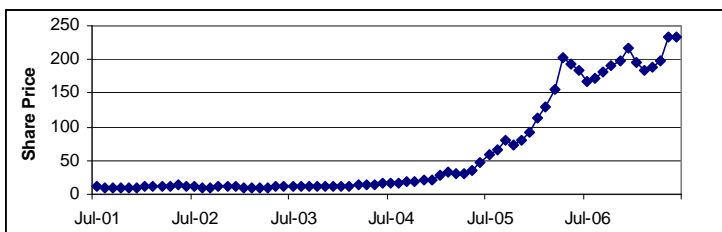
MITSUI & CO., LTD. is a general trading company. The Company has operating groups including Iron and Steel, Non-Ferrous Metals, Machinery, Chemicals, Foods, Energy, Textiles and General Merchandise. Mitsui also operates real estate and overseas development projects.



Schlumberger Limited is an oil services company. The Company, through its subsidiaries, provides a wide range of services, including technology, project management and information solutions to the international petroleum industry as well as advanced acquisition and data processing surveys.



SoftBank Corp. provides fixed line telecommunications services. The Company also operates ADSL (Asymmetric Digital Subscriber Line) and other fiber optic high-speed internet connection, e-Commerce businesses, and internet based advertising and auction businesses



Vallourec SA, through subsidiaries, manufactures steel and alloy tubing and a wide range of components. The Company's products are used by the automobile, oil and gas refining, petrochemical, transport, mechanical, construction, and aerospace industries. Vallourec has operating and commercial subsidiaries worldwide.

PAYMENT EXAMPLES UNDER THE DEPOSIT NOTES

The examples below are for illustration purposes and are intended only to demonstrate how the Coupon Amounts are calculated using the formulas described in the Description of the Deposit Notes. The Share prices used to illustrate the calculation of the Coupon Amounts are not estimates or forecasts of the performance of the Shares. All examples assume that a Noteholder has purchased Deposit Notes and has held the Deposit Notes until maturity and that no Special Circumstances have occurred.

Example I – Maximum Return

Stock Name	Initial Price	Valuation Prices		
		5-Oct-08	5-Oct-09	5-Oct-10
Amazon.Com	77.31	77.31	78.08	79.92
Anglo American PLC	2817.00	2873.34	2899.34	2925.48
Apple Computer Inc	135.00	146.65	147.55	142.35
Arcelor Mittal	47.18	47.19	47.66	48.77
British Energy Group	498.00	615.58	616.03	543.05
Ebay	32.78	36.35	36.54	34.74
Mitsui & Co	2590.00	2677.02	2699.57	2698.20
Schlumberger Ltd	94.62	96.61	97.48	98.29
SoftBank Corp	2460.00	2902.80	2910.35	2649.34
Vallourec	202.00	215.45	216.96	212.04

Stock Name	5-Oct-08		5-Oct-09		5-Oct-10	
	SP	SR	SP	SR	SP	SR
Amazon.Com	0.00%	12.00%	1.00%	12.00%	3.37%	12.00%
Anglo American PLC	2.00%	12.00%	2.92%	12.00%	3.85%	12.00%
Apple Computer Inc	8.63%	12.00%	9.30%	12.00%	5.44%	12.00%
Arcelor Mittal	0.01%	12.00%	1.01%	12.00%	3.37%	12.00%
British Energy Group	23.61%	12.00%	23.70%	12.00%	9.05%	12.00%
Ebay	10.89%	12.00%	11.47%	12.00%	5.99%	12.00%
Mitsui & Co	3.36%	12.00%	4.23%	12.00%	4.18%	12.00%
Schlumberger Ltd	2.10%	12.00%	3.02%	12.00%	3.87%	12.00%
SoftBank Corp	18.00%	12.00%	18.31%	12.00%	7.70%	12.00%
Vallourec	6.66%	12.00%	7.40%	12.00%	4.97%	12.00%
Coupon Rate		12.00%		12.00%		12.00%
Cumulative Return	36.00%					
Annualized Return	12.00%					

In Example I, it may be observed that at every Valuation Date, the Share Performance has been zero or positive resulting in the Share Return for each Share in the Share Basket being valued at 12.00% when calculating the Coupon Rate. The Coupon Rate is therefore 12.00% resulting in a cumulative return of 36.00% over the life of the Deposit Note which is an annualized return of 12.00%.

Example II – Moderate Return

Stock Name	Initial Price	Valuation Prices		
		5-Oct-08	5-Oct-09	5-Oct-10
Amazon.Com	77.31	73.44	74.99	79.14
Anglo American PLC	2817.00	2732.49	2786.66	2897.31
Apple Computer Inc	135.00	139.90	142.15	141.00
Arcelor Mittal	47.18	44.83	45.77	48.30
British Energy Group	498.00	590.68	596.11	538.07
Ebay	32.78	34.71	35.23	34.41
Mitsui & Co	2590.00	2547.52	2595.97	2672.30
Schlumberger Ltd	94.62	91.88	93.69	97.34
SoftBank Corp	2460.00	2779.80	2811.95	2624.74
Vallourec	202.00	205.35	208.88	210.02

Stock Name	5-Oct-08		5-Oct-09		5-Oct-10	
	SP	SR	SP	SR	SP	SR
Amazon.Com	-5.00%	-5.00%	-3.00%	-3.00%	2.37%	12.00%
Anglo American PLC	-3.00%	-3.00%	-1.08%	-1.08%	2.85%	12.00%
Apple Computer Inc	3.63%	12.00%	5.30%	12.00%	4.44%	12.00%
Arcelor Mittal	-4.99%	-4.99%	-2.99%	-2.99%	2.37%	12.00%
British Energy Group	18.61%	12.00%	19.70%	12.00%	8.05%	12.00%
Ebay	5.89%	12.00%	7.47%	12.00%	4.99%	12.00%
Mitsui & Co	-1.64%	-1.64%	0.23%	12.00%	3.18%	12.00%
Schlumberger Ltd	-2.90%	-2.90%	-0.98%	-0.98%	2.87%	12.00%
SoftBank Corp	13.00%	12.00%	14.31%	12.00%	6.70%	12.00%
Vallourec	1.66%	12.00%	3.40%	12.00%	3.97%	12.00%
Coupon Rate		4.25%		6.40%		12.00%
Cumulative Return	22.64%					
Annualized Return	7.36%					

In Example II, it may be observed that Shares with positive Share Performance have a Share Return of 12.00% while the Shares with negative Share Performance have a Share Return equal to the actual Share Performance. The Coupon Rate is calculated as the average of the Share Returns. In this example, the varied Share Performance results in Coupon Rates in the first two years that are lower than the maximum 12.00%. The cumulative return in Example II is 22.64% which equates to an annualized return of 7.36%.

Example III – Minimum Return

Stock Name	Initial Price	Valuation Prices		
		5-Oct-08	5-Oct-09	5-Oct-10
Amazon.Com	77.31	69.58	71.90	75.96
Anglo American PLC	2817.00	2591.64	2673.98	2781.25
Apple Computer Inc	135.00	133.15	94.50	124.88
Arcelor Mittal	47.18	42.47	43.88	27.36
British Energy Group	498.00	493.02	488.04	495.51
Ebay	32.78	31.85	33.92	33.06
Mitsui & Co	2590.00	2418.02	2492.37	2565.59
Schlumberger Ltd	94.62	68.13	89.91	66.90
SoftBank Corp	2460.00	2082.64	2416.95	2449.24
Vallourec	202.00	195.25	200.80	201.70

Stock Name	5-Oct-08		5-Oct-09		5-Oct-10	
	SP	SR	SP	SR	SP	SR
Amazon.Com	-10.00%	-10.00%	-7.00%	-7.00%	-1.75%	-1.75%
Anglo American PLC	-8.00%	-8.00%	-5.08%	-5.08%	-1.27%	-1.27%
Apple Computer Inc	-1.37%	-1.37%	-30.00%	-25.00%	-7.50%	-7.50%
Arcelor Mittal	-9.99%	-9.99%	-6.99%	-6.99%	-42.00%	-25.00%
British Energy Group	-1.00%	-1.00%	-2.00%	-2.00%	-0.50%	-0.50%
Ebay	-2.85%	-2.85%	3.47%	12.00%	0.87%	12.00%
Mitsui & Co	-6.64%	-6.64%	-3.77%	-3.77%	-0.94%	-0.94%
Schlumberger Ltd	-28.00%	-25.00%	-4.98%	-4.98%	-29.30%	-25.00%
SoftBank Corp	-15.34%	-15.34%	-1.75%	-1.75%	-0.44%	-0.44%
Vallourec	-3.34%	-3.34%	-0.60%	-0.60%	-0.15%	-0.15%
Coupon Rate		0.00%		0.00%		0.00%
Cumulative Return	0.00%					
Annualized Return	0.00%					

In the Example III, it may be observed that all the Shares had negative Share Performance. The Share Returns were therefore equal to the actual Share Performance, subject to a Share Return of no less than -25.00%. The Coupon Rate is calculated as the average of the Share Returns subject to a minimum Coupon Rate of 0.00%. As all Share Returns were negative, the Coupon Rate in this example is 0.00% with both the cumulative and annualized returns equal to 0.00%.

SPECIAL CIRCUMSTANCES

Potential Adjustment Event

Following the declaration by a Company of the terms of any Potential Adjustment Event, as defined below, in respect of its Share, DSC as the Calculation Agent, will determine whether such Potential Adjustment Event has a diluting or concentrating effect on the theoretical value of the relevant Share and, if so, will (i) make the corresponding adjustments, if any, to any one or more of the Initial Price of such Share, the formula for calculating the Share Return of such Share, or any other component or variable relevant to the determination of a Coupon Amount as DSC deems appropriate to account for the diluting or concentrating effect and (ii) determine the effective date of the adjustments. DSC may (but need not) determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Share traded on such options exchange. Save as expressly provided below, DSC will make no adjustment in respect of any distribution of cash.

"Potential Adjustment Event" means, in respect of a Share, the occurrence of any of the following events:

- a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the applicable Company equally or proportionately with such payments to holders of such Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets; in any case for payment (cash or other considerations) at less than the prevailing market price as determined by DSC;
- c) an extraordinary dividend in respect of such Shares (where the characterization of a dividend as "extraordinary" will be determined by DSC);
- d) a call by the applicable Company in respect of the relevant Shares that are not fully paid;
- e) a repurchase by the applicable Company or any of its subsidiaries of the relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- f) in respect of the applicable Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by DSC, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption of such rights; or
- g) any other event that may have a diluting or concentrating effect on the theoretical value of the relevant Shares.

Merger or Tender Offer

On or after a Merger Date or Tender Offer Date, DSC will either (i) (A) make adjustment(s), if any, to any one or more of the Initial Price of the relevant Share, the formula for calculating the Share Return of such Share, or any other component or variable relevant to the determination of a Coupon Amount as DSC deems appropriate to account for the economic effect on the Deposit Notes of the relevant Merger Event or Tender Offer, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of any adjustments, or (ii) if DSC determines that none of the adjustments which may be made under (i) will produce a commercially reasonable result, DSC may deem the relevant Merger Event or Tender Offer to be a Substitution Event subject to the provisions of "Substitution Event" below.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by DSC.

"Merger Event" means, in respect of a Share, any (i) reclassification or change of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of such Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of such Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (commonly referred to as a "reverse merger"), in each case if the Merger Date is on or before the date on which the Share Return in respect of such Share is determined.

"Tender Offer" means, in respect of a Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding relevant Shares of the applicable Company, as determined by DSC, based upon the making of filings with governmental or self-regulatory agencies or such other information as DSC deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which the relevant Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by DSC).

Substitution Events

Upon DSC becoming aware of the occurrence of a Substitution Event in respect of a Share in the Share Basket (the **"Deleted Share"**), the following will apply, effective on a date as determined by DSC (the **"Substitution Date"**):

- a) any adjustments set out in "Potential Adjustment Event " above in respect of such Share will not apply;
- b) DSC may choose (in its absolute discretion) a new share (the **"Replacement Share"**) of a large company listed on a major exchange or market quotation system as a substitute for such Deleted Share;
- c) such Deleted Share will be deleted from the Share Basket and will not be considered as a Share for purposes of determining a Coupon Amount on or after the Substitution Date;
- d) the Replacement Share will be a Share in the Share Basket, the issuer of such Replacement Share will be the Company in respect of such Replacement Share, and the primary exchange or market quotation system on which such Replacement Share is listed will be the Exchange in respect of such Replacement Share; and
- e) DSC will determine in its discretion the Initial Price of such Replacement Share by taking into account all relevant market circumstances, including the Initial Price of such Deleted Share and the Closing Price or estimated value on the Substitution Date of the Deleted Share and the Closing Price on the Substitution Date of the Replacement Share, and will make adjustments, if any, to any one or more of the formulas for calculating the Share Return of such Replacement Share, or any other component or variable relevant to the determination of a Coupon Amount as DSC deems appropriate to account for the economic effect on the Deposit Notes of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing a Replacement Share, DSC will promptly give details of such substitution and brief details of the Substitution Event to the investors. For greater certainty, the Replacement Share chosen by DSC will be any share of a large company, and may be a company that was the continuing entity in respect of a Merger Event. DSC may decide not to choose a Replacement Share as a substitute for a Deleted Share if DSC determines that there are no appropriate shares of a large company listed on a major exchange or market quotation system which offer sufficient liquidity in order for DSC to place, maintain or modify hedges in respect of such shares; in that event, see "Extraordinary Events" below.

"Delisting" means, in respect of a Share, that the relevant primary Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a

Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange.

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the applicable Company, (i) all the relevant Shares of such Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of such Company become legally prohibited from transferring them.

"Nationalization" means, in respect of a Share, that all such Shares or all or substantially all of the assets of the applicable Company are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

"Substitution Event" means, in respect of a Share, any Nationalization, Insolvency or Delisting in respect of such Share, or any Merger Event or Tender Offer in respect of such Share that is deemed by DSC to be a Substitution Event, or the occurrence and continuation for at least eight consecutive applicable Exchange Days of a Market Disruption Event in respect of such Share.

Market Disruption Event

If DSC determines that a Market Disruption Event (as defined below) in respect of a Share has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of such Share, then the applicable Coupon Amount will be calculated (and the applicable Closing Price will be determined) on the basis that such Valuation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect in respect of such Share.

However, there will be a limit for postponement of any Valuation Date. If on the eighth Exchange Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of such Share on or after such eighth Exchange Day:

- a) such eighth Exchange Day will be the Valuation Date in respect of such Share, and
- b) where on that eighth Exchange Day a Market Disruption Event in respect of such Share has occurred and is continuing, then the Closing Price of such Share for such Valuation Date used for determining the relevant value of such Share in the calculation of a Coupon Amount will be a value equal to DBC's estimate of the Closing Price of such Share as at such Valuation Date reasonably taking into account all relevant market circumstances.

A Market Disruption Event may delay the determination of a Share Return and consequently the calculation of a Coupon Amount that may be payable. Payment of a Coupon Amount will be made on the third Business Day after all Share Returns used in the calculation of the Coupon Amount have been determined.

"Market Disruption Event" means, in respect of a Share, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of DBC or any person that does not deal at arm's length with DBC which has or will have a material adverse effect on the ability of equity dealers generally to place, maintain or modify hedges of positions in respect of such Share. A Market Disruption Event may include, without limitation, any of the following events:

- a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share(s) on the Exchange(s), or (ii) in futures or options contracts or futures contracts relating to the relevant Share(s) on any relevant Related Exchange;
- b) the closure ("**Early Closure**") on any Exchange Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;
- c) any event (other than an Early Closure) that disrupts or impairs (as determined by DSC) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Share(s) on the Exchange(s), or (ii) to effect transactions in, or obtain market values for, or futures or options contracts relating to, the Share(s) on any relevant Related Exchange;

- d) the failure on any Exchange Day of the relevant Exchange(s) of the relevant Share(s) or any Related Exchange to open for trading during its regular trading session;
- e) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for DBC to perform its obligations under the Deposit Notes or for equity dealers generally to place, maintain or modify hedges of positions in respect of such Share;
- f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange or Related Exchange is located; or
- g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of DBC to perform its obligations under the Deposit Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to such Share or a material and adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange.

Extraordinary Events

If DSC determines that a Market Disruption Event in respect of a Share has occurred and has continued for at least eight consecutive applicable Exchange Days or if DSC determines that a Substitution Event has occurred and, in either case, DBC has decided not to choose a Replacement Share as a substitute for such Share on the grounds that DSC has determined that there are no appropriate shares of a large company listed on a major exchange or market quotation system which offer sufficient liquidity in order for DSC to place, maintain or modify hedges in respect of such shares (an “**Extraordinary Event**”), then DBC may, in its discretion, upon notice to the Noteholders to be given effective on an applicable Exchange Day (the date of such notification being the “**Extraordinary Event Notification Date**”), accelerate the determination and payment of all remaining Coupon Amounts (and thus discharge its obligations in respect of all remaining Coupon Amounts). Upon such election, the following will be determined as of the Extraordinary Event Notification Date:

Any remaining Coupon Amounts that may be payable by DSC will not be calculated in accordance with the provisions set out in “DESCRIPTION OF THE DEPOSIT NOTES – Coupon Amount” above. Instead, an amount (the “**Estimated Coupon Amount**”), if any, will be estimated by DSC representing the fair and reasonable amount that a Third Party Dealer (as defined below) would pay on the Extraordinary Event Notification Date, taking into account all relevant market circumstances, for a right to receive the remaining Coupon Amounts that, but for such occurrence of the Extraordinary Event, would have been payable on the remaining Coupon Payment Dates. The Estimated Coupon Amount may be nil.

In these circumstances, payment of the Principal Amount per Deposit Note will not be accelerated and will remain due and payable on the Maturity Date.

“**Third Party Dealer**” means a person or company (other than DBC or any of its affiliates) that is an active participant in equity markets relevant to the Shares.

RELATED MATTERS

The following is a summary of other information relevant to your decision to purchase the Deposit Notes.

Plan of Distribution

Each Deposit Note will be issued at a subscription price of \$100, which is 100% of the Principal Amount.

The Deposit Notes will be offered from time to time by DBC through DSC as the Selling Agent. DSC has agreed to promote, on a best efforts basis, the sale of the Deposit Notes in Canada and has the option of forming a selling group for the purposes of selling the Deposit Notes. DBC may also sell Deposit Notes to investors directly on its own behalf in those jurisdictions in which DBC is authorized to do so. Sales commissions and related fees are described above under “DESCRIPTION OF THE DEPOSIT NOTES – Fees and Expenses”.

DBC will have the sole right to accept offers to purchase Deposit Notes and may reject any proposed purchase of Deposit Notes in whole or in part. A selling agent will have the right, in its discretion reasonably exercised, without notice to DBC, to reject any offer to purchase Deposit Notes received by it in whole or in part.

With respect to a purchase of Deposit Notes, the full aggregate Subscription Price of the Deposit Notes to be purchased must be delivered by the purchaser's dealer or financial advisor through FundSERV no later than three Business Days prior to the Issue Date. Whether or not the Deposit Notes are issued, no interest or compensation will be paid to the purchaser in respect of delivered funds or to the dealer or financial advisor representing such purchaser.

Interest on Subscription Funds

Upon receipt of the subscription funds, the Selling Agent will deposit the subscription funds in an account established by the Selling Agent in trust for the investors. The Selling Agent will pay to the investors interest on the subscription funds at a rate equal to 4.00%. The interest will be calculated from the date of receipt of the subscription funds by the Selling Agent until (but excluding) the fifth Business Day immediately preceding the Issue Date. The Selling Agent will retain the difference between the aggregate amount of interest earned on the subscription funds and the amount of interest that the Selling Agent has agreed to pay to the investors. On the Issue Date, the subscription funds together with the interest earned thereon by the investors will be used to subscribe for Deposit Notes (or portion thereof) for the benefit of the relevant investors. Investors will have no right to receive a cash payment representing any interest earned on the subscription funds if the settlement of this offering is completed.

If Deposit Notes subscribed through FundSERV are not issued for any reason, the subscription funds will be returned forthwith to the investors together with the interest earned on such subscription funds as described in the preceding paragraph. In such case, the subscription funds and the interest thereon will be paid in cash.

Settlement of Payments under Global Note

The Principal Amount and Coupon Amounts payable under the Deposit Notes will be made available by DSC (or its delegate on DBC's behalf) through FundSERV to dealers and financial advisors with clients who hold Deposit Notes. DBC's responsibility and liability in respect of Deposit Notes is limited to making payment of any amount due through DSC (or its delegate on DBC's behalf) via FundSERV to dealers and financial advisors with clients who hold Deposit Notes.

Settlement of Payments under Definitive Notes

Payments of the Principal Amount and Coupon Amounts on Deposit Notes issued in definitive form (which will only occur in exceptional circumstances) will be made by cheque mailed to the Noteholder at the address of the Noteholder appearing in a register which DBC will maintain or cause to be maintained or, if requested in writing by the Noteholder at least five Business Days before the date of the payment and agreed to by DBC, by electronic funds transfer to a bank account designated by the Noteholder with a bank in Canada. Payment under any Deposit Note in definitive form is conditional upon the Noteholder first delivering the Deposit Note to DBC.

Dealings with Noteholders

Neither DBC nor the Paying and Transfer Agent nor CDS (or the Nominee) will be bound to see to the execution of any trust affecting the ownership of any Deposit Note or be affected by notice of any equity that may be subsisting with respect to any Deposit Note. In relation to DBC's role as custodian in connection with the Deposit Notes, DBC will have no obligation to confirm or take notice of any such instructions, appointments, revocations or any other matters pertaining to a Noteholder's appointment of or arrangements with a dealer or financial advisor or any notices given to or through the FundSERV system.

Notices

If notice is required to be given to Noteholders, DBC will provide notice through FundSERV to dealers and financial advisors with clients who hold Deposit Notes. Noteholders will have access to such information through dealers and financial advisors through which their Deposit Notes are held. DBC will have no obligation to notify Noteholders, dealers or financial advisors in any other manner.

Notices to DBC regarding the Deposit Notes will be valid and effective if such notices are mailed or otherwise delivered to Dundee Bank of Canada, 1 Adelaide Street East, 20th Floor, Toronto, Ontario M5C 2V9, Attention: Director of Operations.

Further Issuance of Deposit Notes

DBC reserves the right to issue Deposit Notes in additional tranches and may issue other Deposit Note obligations, including listed Deposit Note obligations. Such other Deposit Note obligations may have terms substantially similar to the terms of the Deposit Notes and may be offered by DBC concurrently with the offering of this or other tranches of Deposit Notes.

Secondary Market

The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Deposit Notes will develop or be sustainable. DSC will use best efforts, subject to normal market conditions, to arrange for a secondary market for the sale of the Deposit Notes by Noteholders through FundSERV but will not be obligated to do so.

A Noteholder wishing to sell Deposit Notes through FundSERV prior to the Maturity Date is subject to certain procedures established to redeem securities through FundSERV. Any Noteholder wishing to sell a Deposit Note through FundSERV should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations on selling.

In general, a Noteholder must sell Deposit Notes by using the "redemption" procedures of FundSERV. Accordingly, a Noteholder will not be able to negotiate a sale price for Deposit Notes. Instead, the financial advisor for the Noteholder will need to initiate an irrevocable request to "redeem" the Deposit Note in accordance with the then established procedures of FundSERV. Generally, this will mean the redemption request will need to be initiated by 4:00 p.m. (Toronto time, or such other time as may hereafter be established by FundSERV) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the following Business Day.

Sale of a Deposit Note will be effected at a sale price (the "Net Bid Price") equal to (a) the FundSERV "net asset value" of a Deposit Note as of the close of trading on the first trading day following the Business Day on which a redemption request is received (or deemed to be received) as posted to FundSERV by DSC (in its capacity as Calculation Agent), minus (b) any applicable pre-determined reduction amount set forth below (an "Early Sales Charge"). Accordingly, a Noteholder will not be able to negotiate a sale price for the Deposit Notes.

An Early Sales Charge of up to 4.50% of the Principal Amount of a Deposit Note will be deducted from the amount received by a Noteholder as sales proceeds if the Noteholder sells Deposit Notes within 18 months of the Issue Date. The specific amount of Early Sales Charge in relation to a resale transaction will be determined as follows:

If Sold Within the Specified Number of Months of Issue Date	Early Sales Charge
0-12 Months	4.50%
12 – 18 Months	3.25%
18 Months or More	Nil

DSC, in its capacity as Calculation Agent, will act as the "fund sponsor" for the purpose of calculating and posting daily a "net asset value" in relation to Deposit Notes within FundSERV. It is required to post or arrange to be posted a "net asset value" for the Deposit Notes on a daily basis, which value may also be used for valuation purposes in any statement sent to Noteholders. The Net Bid Price will represent the price at which DSC may offer to purchase Deposit Notes from Noteholders in connection with a secondary market transaction as of the close of business for the applicable Exchange. Such price will be determined as of the close of trading on the Exchanges on each Exchange Day. There is no guarantee that the Net Bid Price for any day is the highest possible price available in any secondary market for the Deposit Notes, but it will represent a bid price generally available to Noteholders as at the relevant close of business, including clients of DSC.

The Noteholder should consult his or her dealer or financial advisor on whether it would be more favourable in the circumstances at any time to sell Deposit Notes (assuming the availability of a secondary market) or hold Deposit Notes until the Maturity Date.

The Noteholder should also be aware that, although the “redemption” procedures of FundSERV will be used, the Deposit Notes of the Noteholder will actually be sold in the secondary market to DSC. In turn, DSC will be able to deal with such Deposit Notes in its discretion, including selling those Deposit Notes to other parties at negotiated prices or holding them in its inventory. Noteholders should also be aware that from time to time such “redemption” mechanism to sell Deposit Notes might be suspended for any reason without notice, thus effectively preventing Noteholders from selling their Deposit Notes.

Global Note

Noteholders will have an indirect beneficial interest in the Global Note. DBC will, directly or indirectly through its CDS Participant, hold all of the beneficial interests in the Deposit Notes for and on behalf of such Noteholders or their representatives, as a custodial agent appointed for the sole purpose of holding such beneficial interests and facilitating certain transactions in respect of the Deposit Notes through FundSERV. Noteholders should understand that DBC will only record cases to be recorded and process such transactions as may be instructed through FundSERV by a dealer or financial advisor recorded under FundSERV as representing the applicable Noteholder and will have no obligation to confirm or take notice of any instructions, appointments, revocations or any other matters pertaining to the Noteholder’s appointment of or arrangements with a dealer or financial advisor purporting to act on his or her behalf or in respect of any notices given to or through the FundSERV system. If a Noteholder were to replace or transfer his or her investment accounts to another dealer or financial advisor who did not satisfy such conditions, the Noteholder would be required to sell his or her Deposit Notes pursuant to the procedures described under “RELATED MATTERS – Secondary Market”.

Calculations and Determinations

All calculations and determinations of DSC as the Calculation Agent, absent manifest error, are final and binding on DBC and the Noteholders.

Ordinarily, all calculations and determinations to be made in connection with the Deposit Notes will be made by DSC as the Calculation Agent, on our behalf. Whenever DSC is required to act as the Calculation Agent, it will do so in good faith. Neither DSC as the Calculation Agent nor DBC warrants the accuracy or completeness of information made available with respect to the calculations made in connection with the Deposit Notes.

However,

- a) if DBC elects to make a payment of Coupon Amounts after the occurrence of an Extraordinary Event (as contemplated under “SPECIAL CIRCUMSTANCES – Extraordinary Events”);
- b) if a price for a Share is not announced or published by the Exchange or Related Exchange or the information necessary to determine such specified price is not made available by the Exchange or Related Exchange and in such circumstances a third party does not calculate the price of the Share; or
- c) if a material determination required in calculating the Share Return or Coupon Amount involves the application of material discretion by DBC or its agent or is based, in whole or in part, on information which is not compiled by, or derived from, sources that are independent to DBC or its affiliates,

then DBC will make reasonable efforts to appoint three independent and active participants in markets relating to the applicable Share (each a “**Calculation Expert**” and together, the “**Calculation Experts**”) to make or confirm applicable calculations.

Promptly following the appointment of Calculation Experts, DBC will request them to confirm (such confirmation requiring a majority vote of such Calculation Experts) any determination by DBC or its agent that an Extraordinary Event has occurred and is continuing.

Each Calculation Expert will act as an independent expert and will not assume any obligation or duty to, or any relationship of agency or trust for or with, Noteholders or DBC. Any valuations, calculations, determinations or confirmations made by the Calculation Experts will (except in the case of manifest material error) be final and binding on DBC and the Noteholders. The Calculation Expert will not be responsible for good faith errors or omissions in calculating, determining, announcing or

disseminating information regarding a reference commodity or any adjustments or calculations, as applicable, and DBC will not be responsible in any way for the calculations or determinations of the Calculation Experts. The Calculation Experts may, with DBC's consent, delegate any of their obligations and functions to a third party as they deem appropriate, but acting honestly and reasonably at all times.

Promptly following the appointment of Calculation Experts, DBC will give notice, in the manner described under "RELATED MATTERS – Notices", disclosing the occurrence of the Extraordinary Event; the identity and qualification of the Calculation Experts; any past, present or reasonably anticipated relationships between the Calculation Experts and DBC. DBC will also give notice to Noteholders upon the confirmation or determination of a valuation or other calculation, determination or confirmation by the Calculation Experts.

Modifications of the Deposit Notes

The Global Note may be amended without the consent of the Noteholders if in the reasonable opinion of DBC the amendment would not materially and adversely affect the rights of the Noteholders. In other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the Noteholders holding Deposit Notes representing no less than 66 2/3% of the outstanding aggregate Principal Amount of the Deposit Notes represented for the purpose of considering the resolution. Each Noteholder is entitled to one vote per \$100 of Principal Amount held for the purpose of voting at meetings convened for this purpose. The Deposit Notes do not carry the right to vote in any other circumstances.

Purchases by DSC

DSC or any of its affiliates, associates or successors, may at any time, subject to applicable laws, purchase Deposit Notes for cancellation at any price in the open market or by private agreement.

Dealings with the Companies

DBC, DSC, or any of their affiliates may from time to time, in the course of their respective normal business operations, have dealings with the Companies whose Shares are included in the Share Basket, including through investing in securities of such Companies. DBC will base all such actions on normal commercial criteria in the particular circumstances and DBC will not take into account the effect, if any, of such actions on any Share or the Coupon Amounts that may be payable on the Deposit Notes.

RISK FACTORS

The Deposit Notes provide opportunities but also pose risks. You should carefully consider the risks involved in purchasing the Deposit Notes before deciding to purchase. You should discuss with your advisors the suitability of purchasing Deposit Notes in light of your investment objectives and after reviewing all available information, including the following risk factors:

a) Suitability of Deposit Notes for Investment

The Deposit Notes do not provide investors with an income stream or a guaranteed rate of return. The Deposit Notes do not provide a return at maturity that is calculated or determined with reference to a fixed or floating rate of interest. The Deposit Notes are not suitable investments for investors who (i) need or expect any return or a specific return on investment; and/or (ii) are not prepared to assume the risks associated with an investment whose return is based on the performance of the Shares. Please consult your dealer or financial advisor as to whether an investment in the Deposit Notes is suitable for you in light of your particular situation or circumstances. The Deposit Notes will not be insured under the *Canada Deposit Insurance Corporation Act* (Canada) and will not be entitled to Canada Deposit Insurance Corporation protection.

b) Uncertain Return or No Return at Maturity

The Deposit Notes have certain investment characteristics that differ from conventional fixed income investments. The Deposit Notes do not provide Noteholders with a return or income stream that is calculated or determined by reference to a fixed or floating rate of interest. A Deposit Note's return is reflected in the annual Coupon Amounts, which will depend on the price performance of the Shares in the Share Basket as described in this Information Statement. At maturity, Noteholders may only be entitled to receive payment of the Principal Amount.

c) Market Disruption or Extraordinary Events

If a Market Disruption Event occurs on a day on which the Closing Price of a Share is to be determined for calculating a Coupon Amount, the determination of that price (and possibly any subsequent payment of that Coupon Amount, if any) may be delayed. Fluctuations in the Closing Price of the Share may occur in the interim. In certain unusual circumstances, DBC may estimate the Closing Price for a Share, replace an existing Share with a new Share, or accelerate the payment of all remaining Coupon Amounts in the case of an Extraordinary Event, in which case the amount of return, if any, will be determined in an alternate manner by DBC. However, in no event will the Principal Amount of a Deposit Note be paid prior to the Maturity Date. See "SPECIAL CIRCUMSTANCES" above.

d) Secondary Market for the Deposit Notes

The Deposit Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Deposit Notes will develop or be sustainable or continued and Noteholders may not be able to resell their Deposit Notes. Any resale price of Deposit Notes could be below the \$100 Principal Amount per Deposit Note, may not be the highest possible price available in any secondary market and, if sold within 18 months of the Issue Date, will be reduced by the Early Sales Charge.

e) Trading value of the Deposit Notes in the Secondary Market

The Principal Amount is only payable at maturity. A Coupon Amount, if any, is only payable on a Coupon Payment Date. The Noteholder cannot elect to receive a Coupon Amount, if any, prior to the applicable Coupon Payment Date. The Deposit Notes will not be listed on any stock exchange. However, DSC will maintain a secondary market for the Deposit Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Noteholders. Noteholders may sell the Deposit Notes in any such secondary market prior to maturity. Any secondary trading price will be dependent on many factors and their relationship and may be less than \$100.00 per Deposit Note. In particular, Noteholders should realize that (a) the trading price of the Deposit Notes will be reduced by the Coupon Amount (if any) two days prior to the applicable Coupon Payment Date, and that (b) the trading price, especially during the first few years of the term, (i) might have a non-linear sensitivity to the rises and falls in the Shares (i.e., the trading price of a Deposit Note might increase and decrease at a different rate compared to the respective percentage increases and decreases of the Shares) and (ii) may be substantially affected by changes in the level of interest rates independent of the price performance of the Shares. A sale of Deposit Notes originally purchased through FundSERV will be subject to certain additional procedures and limitations. A Noteholder who sells a Deposit Note prior to the Maturity Date may have to pay an Early Sales Charge to DSC of up to 4.50% of the Principal Amount. See "DESCRIPTION OF THE DEPOSIT NOTES – Secondary Market" above.

f) Conflicts of Interest

DBC or DSC may perform functions or engage in activities that could adversely impact on the value of the Deposit Notes, your ability to resell your Deposit Notes or the amount or timing of receipt of entitlements under the Deposit Notes. For example, DBC or DSC may have dealings in the securities of the Companies, which dealings will not take into account the effect, if any, on the Noteholders' interests generally. Except in unusual circumstances DBC or DSC, as Calculation Agent, will be responsible to determine the amount, if any, of the return payable under the Deposit Notes and may exercise judgment and discretion in relation to the functions and activities undertaken in respect of the Deposit Notes from time to time. Consequently, conflicts between the interests of Noteholders and the interests of DBC or DSC may arise.

g) Credit Risk

The obligation to make payments to Noteholders is an obligation of DBC, and accordingly, the likelihood that Noteholders will receive the payments owing to them in connection with the Deposit Notes will be dependent upon the financial health and creditworthiness of DBC. Neither DBC nor its deposit liabilities, including the Deposit Notes, have been rated by any rating agency.

h) No Ownership of, or Recourse to, Shares in the Share Basket

The Deposit Notes will not reflect the return a Noteholder would realize if the Noteholder actually owned the Shares in the Share Basket. The Share Basket is a notional portfolio only. Noteholders will not have, and the Deposit Notes will not represent, any

direct or indirect ownership interest or rights (including, without limitation, voting rights or rights to receive dividends) in the Shares in the Share Basket, other than a right to be paid a return on the Deposit Notes based on the price performance of the Share Basket. Any Coupon Amounts payable in respect of the Deposit Notes will not reflect any dividends declared on the Shares. There will be no control over the management of any entity whose securities are reflected in the Share Basket. The success of the Deposit Notes will depend in part on the ability and success of the management of the Companies in additions to general economic and market factors. Investors will have no recourse to any of the Companies.

i) FundSERV

The Deposit Notes may only be purchased, settled and otherwise dealt with in accordance with the clearing and settlement procedures and services operated by FundSERV and certain other rules and protocols established with dealers and financial advisors in connection with such services. Only those dealers and financial advisors that have an effective agreement with DBC will be eligible to deal with Deposit Notes on behalf of Noteholders.

j) Information Accuracy

Neither DBC nor DSC as the Calculation Agent make any express or implied warranty, representation or undertaking whatsoever for the accuracy or completeness the information contained in this Information Statement regarding the Companies. Neither DBC nor DSC as the Calculation Agent is affiliated with any of the Companies and neither has performed any due diligence investigation thereon or review thereof. Prospective investors should undertake an independent investigation of the Companies as they deem necessary to allow them to make an informed decision with respect to an investment in the Deposit Notes.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fraser Milner Casgrain LLP, counsel to DBC, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Deposit Notes by a Noteholder who purchases Deposit Notes at the time of their issuance from DBC (an “**Initial Noteholder**”). This summary is applicable only to an Initial Noteholder who is an individual (other than a trust) and, for the purposes of the Tax Act, is a resident of Canada, deals at arm’s length, and is not affiliated, with DBC and holds the Deposit Notes as capital property. The Deposit Notes will generally be considered to be capital property to an Initial Noteholder unless: (i) the Initial Noteholder holds the Deposit Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Noteholder acquired the Deposit Notes as an adventure in the nature of trade. The determination of whether the Deposit Notes are held as capital property for purposes of the Tax Act should take into account, among other factors, whether the Deposit Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date. Certain Initial Noteholders resident in Canada whose Deposit Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Deposit Notes as capital property may be entitled to make an irrevocable election to have the Deposit Notes and all of the Initial Noteholder’s other “Canadian securities” deemed to be capital property pursuant to subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act and the regulations thereunder as in force on the date hereof (the “**Regulations**”), counsel’s understanding of the current administrative and assessing practices published in writing by the Canada Revenue Agency (the “**CRA**”) and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”). This summary assumes all Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not, except for the Tax Proposals, otherwise take into account or anticipate any changes in law or the CRA’s administrative or assessing practices, whether by legislative, governmental or judicial decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Deposit Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be legal or tax advice to any Noteholder. Noteholders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Deposit Notes, based on their particular circumstances.

Interest on Subscription Funds

If the issue of Deposit Notes is not completed, any interest earned on the subscription funds that is paid to an investor will be included in such investor's income for the taxation year in which the interest is paid. While Initial Noteholders will not receive any cash payments of interest earned on the subscription funds, an Initial Noteholder will be required to include in the Initial Noteholder's income for the taxation year in which the Deposit Notes are issued, the amount of such interest allocated to the Initial Noteholder for the period beginning with the deposit of the subscription funds and ending with the Issue Date. The amount of such interest included in the Initial Noteholder's income will be added to the Initial Noteholder's adjusted cost base of the Deposit Notes.

Coupon Amount and Accelerated Return

The full amount of each Coupon Amount generally will be included in the Initial Noteholder's income in the taxation year of the Initial Noteholder that includes the applicable Coupon Payment Date, except to the extent otherwise included in income in the taxation year or a preceding taxation year. Where payment of the remaining Coupon Amounts is accelerated prior to the Maturity Date as a result of an Extraordinary Event (an "**Accelerated Return**"), the full amount of such payment will generally be required to be included in the Initial Noteholder's income in the taxation year of the Initial Noteholder in which the Accelerated Return becomes calculable, except to the extent that any amount of the Accelerated Return has been included in income in the taxation year or a preceding taxation year.

DBC will file an information return with the CRA in respect of any amount required to be included in an Initial Noteholder's income as described above and will provide the Initial Noteholder with a copy of such return.

Disposition of Deposit Notes

On a disposition or deemed disposition of a Deposit Note by an Initial Noteholder at a time when each unpaid Coupon Amount and the Accelerated Return is not calculable (including a sale through FundSERV or otherwise in the secondary market (if available) but not including a disposition resulting from a payment by or on behalf of DBC), while the matter is not free from doubt, the Initial Noteholder should realize a capital gain (or capital loss) to the extent the Initial Noteholder's proceeds of disposition, net of any amount required to be included in the income of the Initial Noteholder as interest, exceed (or are less than) the aggregate of the Initial Noteholder's adjusted cost base of the Deposit Note and any reasonable costs of disposition. An Initial Noteholder who disposes or is deemed to dispose of a Deposit Note prior to the Maturity Date should consult his or her tax advisor with respect to his or her particular circumstances.

One-half of a capital gain realized by an Initial Noteholder must be included in the income of the Initial Noteholder. One-half of a capital loss realized by an Initial Noteholder is deductible against the taxable portion of capital gains realized in the year, in the three preceding years or in subsequent years, subject to and in accordance with the rules in the Tax Act.

Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

ADDITIONAL DEFINITIONS

In this Information Statement, unless the context otherwise requires:

"Book-Entry System" means the record entry securities transfer system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to CDS;

"Business Day" means a day on which commercial banks are open for business and able to effect transactions in foreign exchange and foreign currency deposits in Toronto, Canada and New York, NY, U.S.A. and a day on which book-entry transfers may be effected through CDS. If any date on which any action is otherwise required to be taken in respect of the Deposit Notes is not a Business Day, the date on which such action shall be taken shall, except as otherwise indicated, be the following Business Day and, if the action involves payment of any amount, no interest or other compensation shall be paid as a result of any such delay.

"**Calculation Agent**" means DSC, in its capacity as calculation agent for the Deposit Notes;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**DSC**" means Dundee Securities Corporation or its successor and assigns;

"**Exchange**" means, in respect of a Share, the exchange or trading system identified under the relevant Company information set out in "THE SHARE BASKET" provided that if such exchange or trading system is no longer the primary exchange for the trading of that Share, as DBC may determine, DBC may designate another exchange or trading system as the relevant Exchange for such Share.

"**Exchange Day**" means, in respect of a Share, any day on which the Exchange and each Related Exchange for that Share are scheduled to be open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**FundSERV**" means FundSERV Inc. and its successors;

"**Nominee**" means the nominee appointed from time to time by CDS, initially CDS & CO.;

"**Noteholder**" means a beneficial owner of a Deposit Note in global form or a registered holder of a Deposit Note in definitive form;

"**Participant**" means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of Deposit Notes under the Book-Entry System;

"**Paying and Transfer Agent**" means the paying and transfer agent for the Deposit Notes appointed by DBC from time to time. The Paying and Transfer Agent will initially be DSC whose address is 1 Adelaide Street East, Suite 2700, Toronto, Ontario M5C 2V9;

"**Principal Amount**" means \$100 per Deposit Note;

"**Related Exchange**" means, in respect of a Share, any exchange or trading system on which futures or options on that Share are listed from time to time.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and an Exchange Day, the scheduled weekday closing time of the Exchange or Related Exchange on that Exchange Day, without regard to after hours or any other trading outside of the regular trading session hours.