

Mountainview Energy Ltd.



Mountainview Energy Ltd

33 1st Avenue SW - PO Box 200 - Cut Bank, Montana 59427
Phone: (406) 873-2235 - Fax: (406) 873-2835 - E-mail: mvw@fresman.net

Reader Advisory

- **Forward Looking Statements**

- In the interest of providing potential investors with information regarding Mountainview Energy Ltd. ("**Mountainview**"), including management's assessment of the future plans and operations of Mountainview, certain statements contained in this corporate presentation constitute forward-looking statements or information (collectively "**forward-looking statements**") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. Forward looking statements or information in this presentation include, but are not limited to, statements or information with respect to: the expected closing date and use of proceeds from the financing; potential reserves and future production with respect to current assets business strategy and objectives; development plans; exploration and drilling plans; reserve quantities and the discounted present value of future net cash flows from such reserves; future production levels; wells drilled (gross and net); capital expenditures; cash flow; debt levels; operating and other costs; royalty rates and taxes.
- With respect to forward-looking statements contained in this corporate presentation, Mountainview has made assumptions regarding, among other things: future capital expenditure levels; future oil and natural gas prices; future oil and natural gas production levels; future exchange rates and interest rates; ability to obtain equipment in a timely manner to carry out development activities; ability to market oil and natural gas successfully to current and new customers; the impact of increasing competition; the ability to obtain financing on acceptable terms; and ability to add production and reserves through development and exploitation activities. Although Mountainview believes that the expectations reflected in the forward looking statements contained in this corporate presentation, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this corporate presentation, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Mountainview's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the ability of management to execute its business plan; general economic and business conditions; the risk of instability affecting the jurisdictions in which Mountainview operates; the risks of the oil and natural gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; risks and uncertainties involving geology of oil and natural gas deposits; the uncertainty of reserves estimates and reserves life; the ability of Mountainview to add production and reserves through acquisition, development and exploration activities; Mountainview's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production (including decline rates), costs and expenses; fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates; risks inherent in Mountainview's marketing operations, including credit risk; uncertainty in amounts and timing of royalty payments; health, safety and environmental risks; risks associated with existing and potential future law suits and regulatory actions against Mountainview; uncertainties as to the availability and cost of financing; and financial risks affecting the value of Mountainview's investments. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.
- Any financial outlook or future oriented financial information in this corporate presentation, as defined by applicable securities legislation, has been approved by management of Mountainview. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.
- The forward-looking statements contained in this corporate presentation speak only as of the date of this corporate presentation. Except as expressly required by applicable securities laws, Mountainview does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this corporate presentation are expressly qualified by this cautionary statement. The information contained in this corporate presentation does not purport to be all-inclusive or to contain all information that a prospective investor may require. Prospective investors are encouraged to conduct their own analysis and reviews of Mountainview, and of the information contained in this corporate presentation. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing Mountainview.

Reader Advisory (continued)

- **Barrels of Oil Equivalent**
- Barrels of oil equivalent (boe) is calculated using the conversion factor of 6 Mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
- **Analogous Information**
- Certain information in this document may constitute "analogous information" as defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), including, but not limited to, the reservoir data and economics information relating to the areas in geographical proximity to prospective exploratory lands to be held by Mountainview. Such information has been obtained from government sources, regulatory agencies or other industry participants. Management of Mountainview believes the information is relevant as it helps to define the reservoir characteristics in which Mountainview may hold an interest. Such information includes resource estimates using categories such as Original Oil-In-Place which are not derived from the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and have therefore not been prepared in accordance with NI 51-101. Mountainview is also unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Such information is not an estimate of the resources attributable to lands held or to be held by Mountainview and there is no certainty that the reservoir data and economics information for the lands held or to be held by Mountainview will be similar to the information presented herein. The reader is cautioned that the data relied upon by Mountainview may be in error and/or may not be analogous to such lands to be held by Mountainview.

Overview

- Land** - 85,000 net acres of Bakken/Three Forks in the Williston Basin and Alberta Bakken
- Share Listing** -TSX Venture Exchange “MVW.V” & OTC markets “MNVWF.PK”
- Post Transactions** - 70 million outstanding
- Inside Ownership** - 58%- *closely held*
- Debt** - \$1.1 Million Convertible Debenture @ \$2.50
- Working Capital** - Approx \$ 3.5 million
- Production (Post Acquisitions)** - 150 BOED



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Management Team

Patrick Montalban

President & Chief Executive Officer

Angelique Hatch

Chief Financial Officer

Joseph P. Montalban

Chief Operating Officer

Carla Barringer

Secretary & Treasurer

Pete Losing

Field Superintendent

Land Department:

Bobby J. Purcell: Consultant

John A. “Chip” Miller: Consultant

Accounting/Audit:

PricewaterhouseCoopers, LLP – Independent Auditor

Engineering:

Ted Webb – Independent Engineer

Citadel Engineering Ltd

Corporate Counsel:

Stella Business Law- Stephen Tong

Burnet, Duckworth, & Palmer- Jay Reid

Oil and Gas Attorney:

Dick Beatty



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Board of Directors

Joseph V. Montalban

Chairman of Board

Patrick Montalban

CEO & President

Keith MacDonald

Independent Director

Denny Hop

Independent Director

Bo Mickelson

Independent Director

Carla Barringer

Corporate Secretary

Bruce Young

Company Consultant



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Regional Field Production Map

Glacier, Pondera, Teton, Toole, and Liberty Counties, Montana

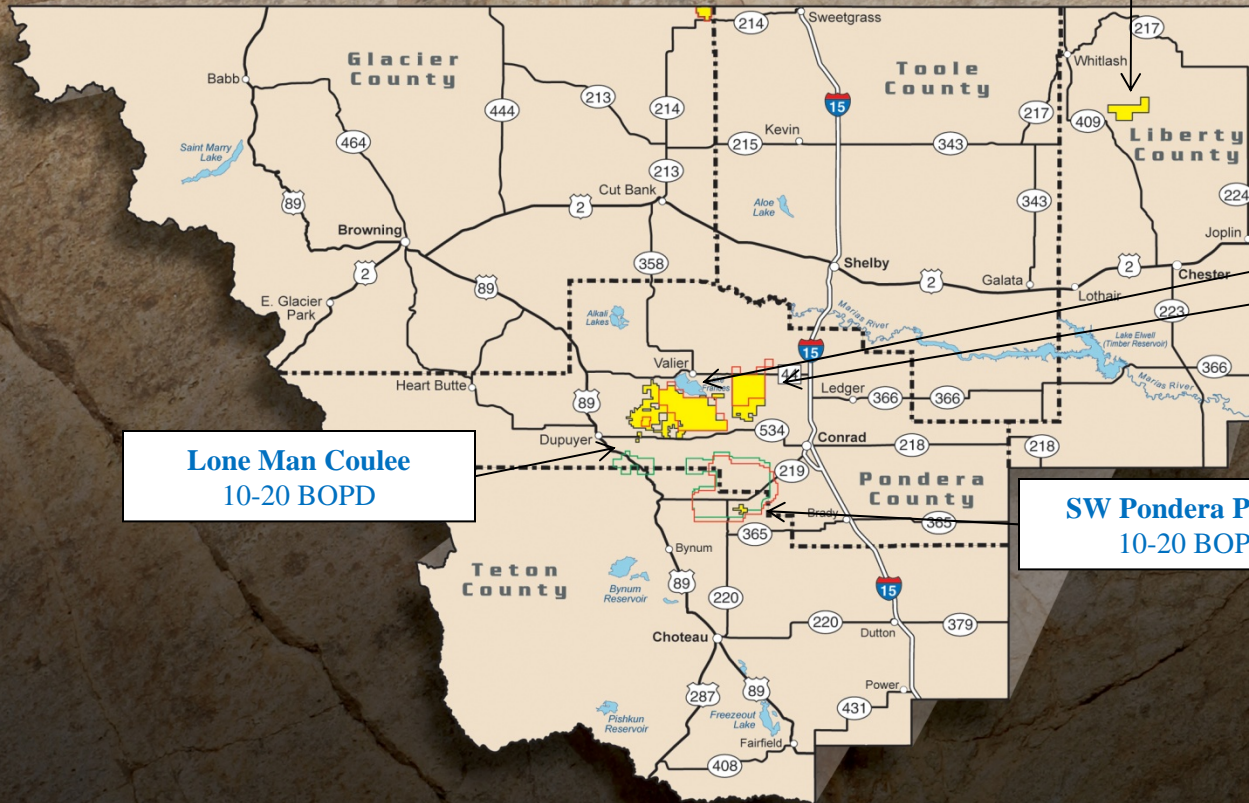
Red Creek Field
120-150 BOPD

Snoose Coulee Gas Field
100 mcf a day

Williams Gas Field & Lake Frances Gas Field
500 mcf a day

Lone Man Coulee
10-20 BOPD

SW Pondera Project
10-20 BOPD



2011 Capital Program

Drilling: 5-6 verticals, 4 Horizontals, 10 work-overs and recompletions

Stateline Project: \$22 million (4 horizontals, 1 vertical)

Lake Frances AB Bakken: \$400,000 (2 verticals Bow Island wells)

Red Creek: \$700,000 (2 vertical Madison Sun River Dolomite wells)

Other Projects: \$1.0 million

Maintenance Production: \$200,000

Total Capital Needed: \$ 24,300,000

Debt: \$1.1 Million Convertible Debenture @ \$2.50



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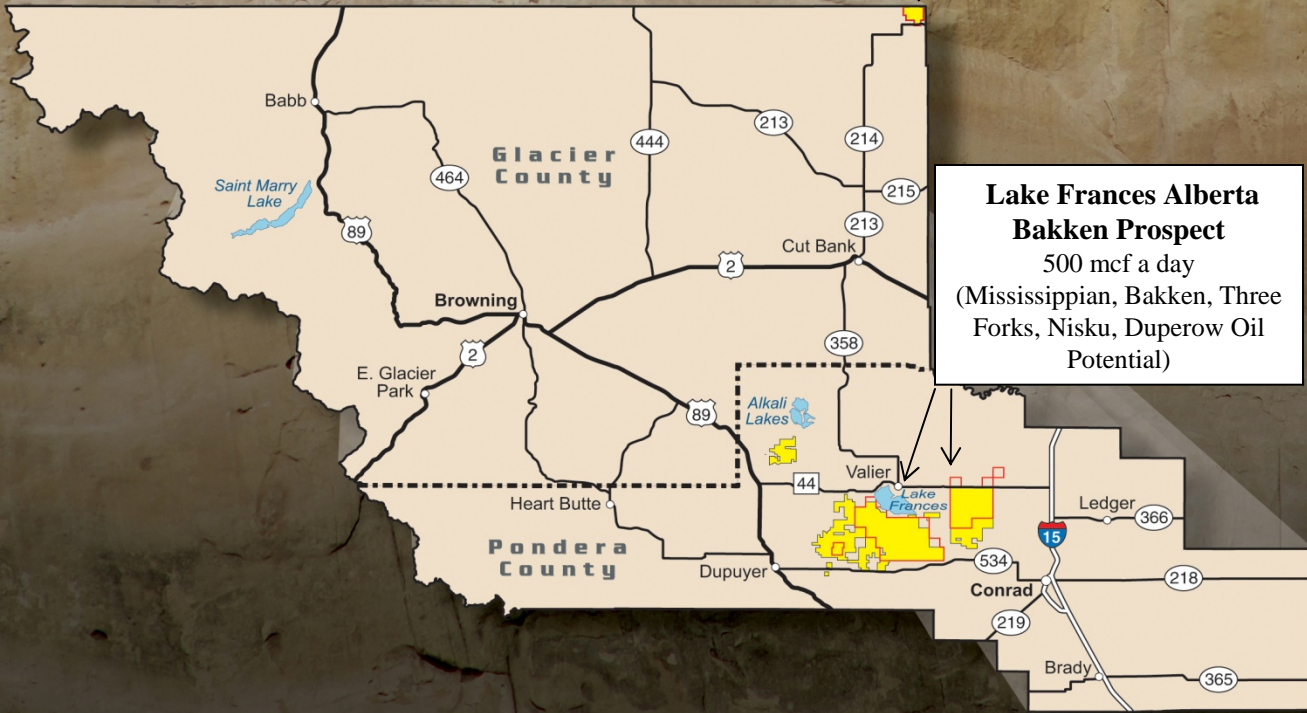
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Stateline Prospect
 Mississippian, Bakken, Three Forks,
 Gutin, Nisku, and Red River Oil
 Potential



Red Creek Field
 120-150 BOPD
 (Mississippian, Bakken,
 Three Forks, Nisku,
 Duperow Oil Potential)



**Lake Frances Alberta
 Bakken Prospect**
 500 mcf a day
 (Mississippian, Bakken, Three
 Forks, Nisku, Duperow Oil
 Potential)



Montana Production/Prospects Map

Glacier, Pondera,
 Sheridan Counties, Montana

Red Creek Field

- 2,500 gross/net acres, Operator
- Evaluating AB Bakken Potential
- Current Production: 120-150 BOPD
- 42 Producing wells (Madison, Lower Cut Bank Sandstone, Upper Cut Bank Sandstone)
- 3 Injection-Disposal Wells
- 2011 Capital Program: \$.6 million
 - \$700,000- 2 vertical Madison wells

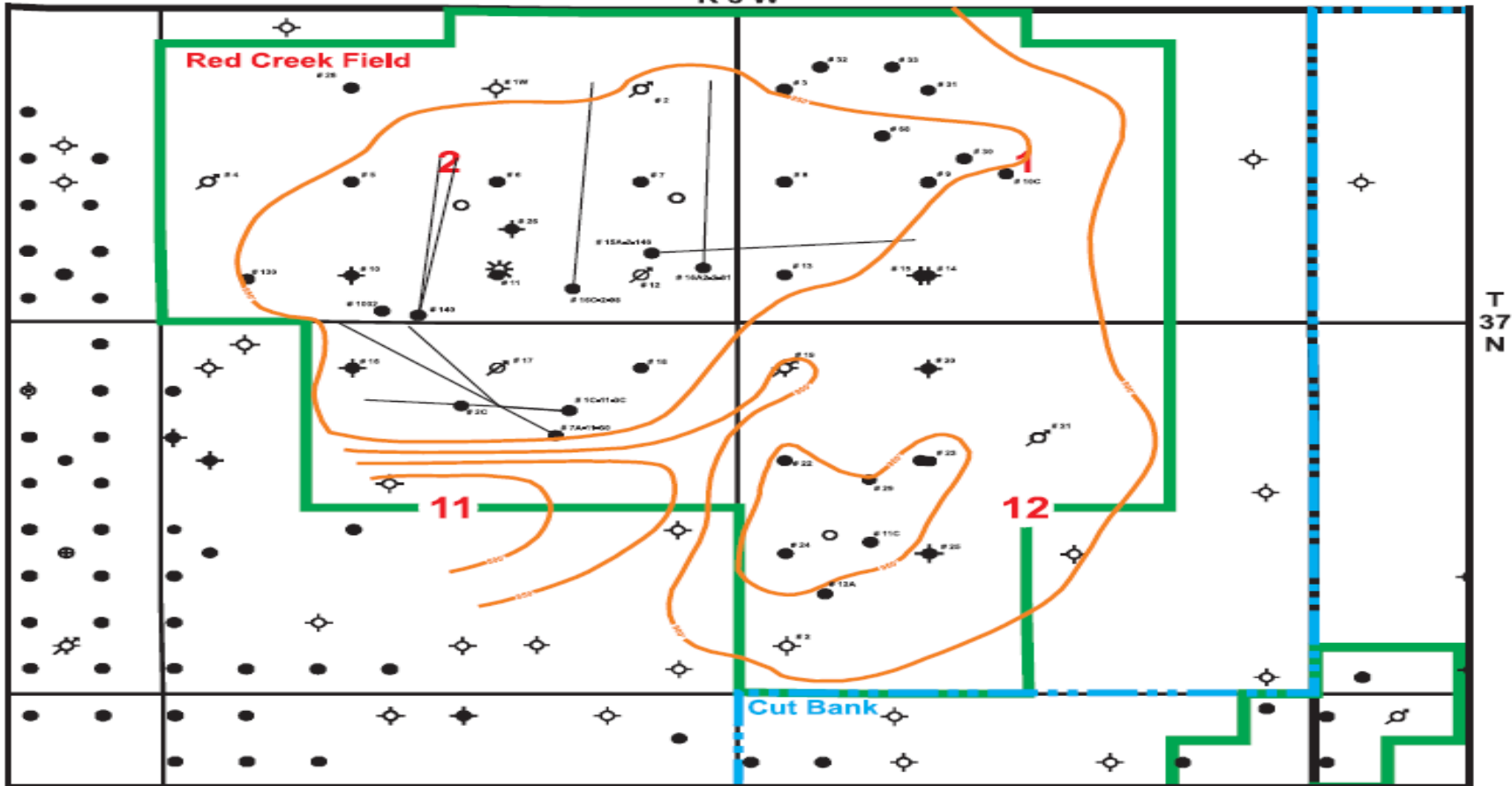


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Red Creek Madison Sun River Dolomite Structure

CANADA
R 5 W



T 37 N

Red Creek Field
Glacier County, MT
**Mountain View
Energy, Inc.**
P.O. Box 200, Cut Bank, MT 59427

Madison Sun River Dolomite Structure

○ Location ● Producing Oil ☼ Producing Gas ⊗ Injection Well ◇ Plugged & Abandoned

**Beyond
Horizon, LLC**
P.O. Box 81251
Billings, MT 59108
202.574.9517 www.beyondhorizon.com

Lake Frances Alberta Bakken

- Consolidating partner interests
- 60,000 gross acres, 60,000 net acres, Operator
- Evaluate AB Bakken potential
- Current Production: 500 mcf/day
- 2011 Capital Program: \$.4 million
 - 2 vertical Bow Island wells

Continuing to build our acreage position



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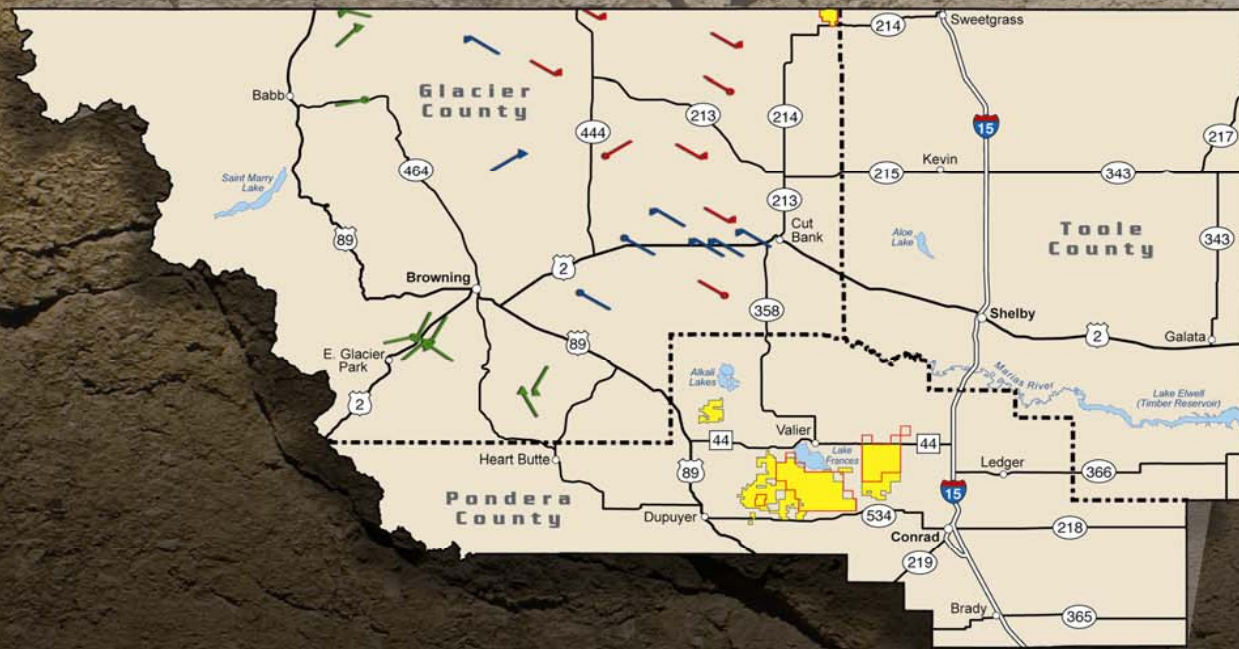
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Southern Alberta Bakken Locator Map

Pondera, Glacier, &
Toole Counties, Montana



Anschutz
Newfield
Rosetta

Drilling Activity in Area

- Rosetta Resources, Newfield Exploration, and Anschutz Exploration have recently been drilling Bakken wells near our acreage position.
- According to Rosetta they believe there is between 13-15 MMboe per square mile of resource in place. (<http://ir.rosettaresources.com/presentations.cfm>)
- Montana Board of Oil and Gas has recorded at least 16 wells that have been permitted, spudded, or drilled by these three companies.
- Prospective formations: Mission Canyon, Lodgepole, Bakken, and Three Forks.



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Stateline Project

11,000 Gross, 11,000 Net Acres
2011 Capital Program: \$22 million
- 1 Vertical, 4 Horizontals

Nearby producers: Taqa, Brighton, Northern, EOG, Kodiak,
Georesources

Well production range: 200 – 1000 boe/d on first month

Stacked Pay Zones: Ratcliffe, Mission Canyon, Nisku, Gutin, Bakken,
Three Forks, and Red River.

Continuing to build our acreage position



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Nearby Bakken Well Results

**TAQA North USA, INC- Hellegaard #9-12H - IP- 433 BOPD, 150 MCFD, 236 BWPD
Short Leg-640**

Surface Location: 2200 ft FSL, 200ft FWL., T37N R57E Sec. 9

Bottomhole Location: 1800 ft. FSL, 1016 ft. FWL, T37N R57E

Sheridan County, MT

**TAQA North USA, INC- Hellegaard 9H - IP- 235 BOPD, 85 MCFD, 434 BWPD
Short Leg-640**

Surface Location: 1050 ft FNL, Sec. 15 T37N R57E

Bottomhole Location: 720 ft. FNL, 720 ft. FEL, Sec. 15- T37N - R57E

Sheridan County, MT

GeoResources, Inc- Carlson 1-11H - IP- 685 BOPD

Short Leg-640

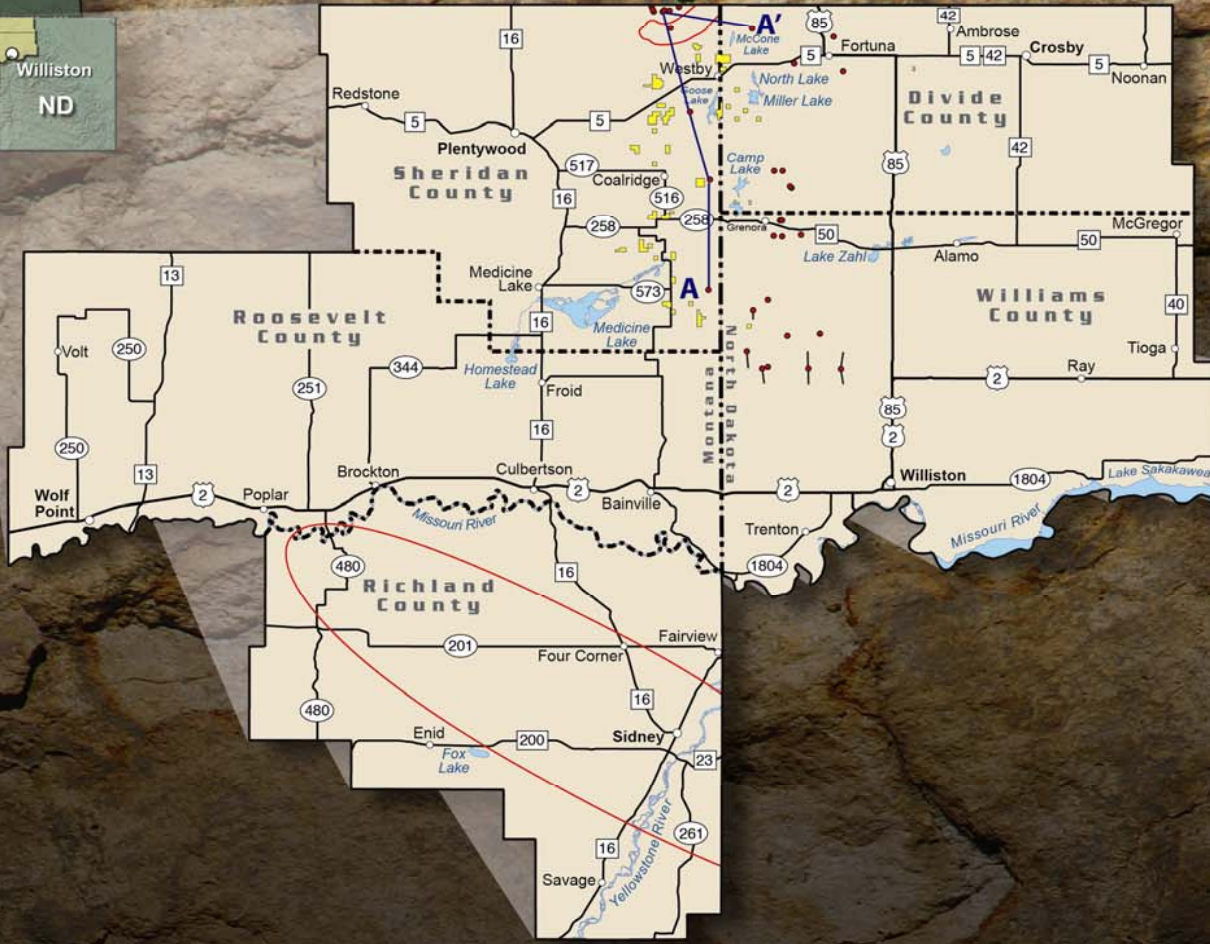
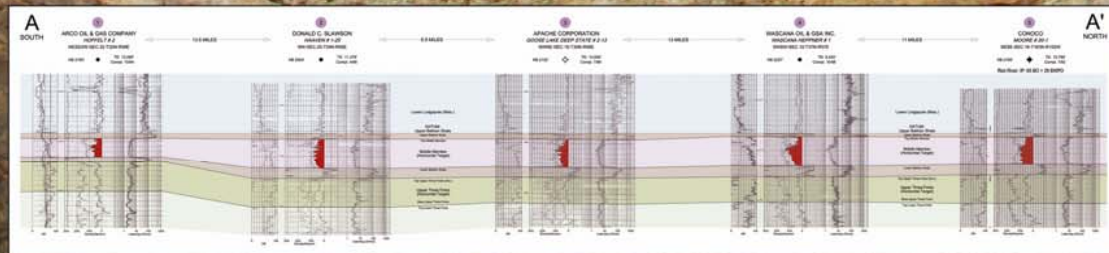
Sec. 11 T57N R103W

Williams county, ND



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Stataline Prospect Map

Sheridan, Roosevelt, & Richland
Counties, Montana.

Divide & Williams
Counties, North Dakota

Typical North Dakota Bakken/Three Forks Well Reservoir Data & Economics

➤ Reservoir Rock Properties:

➤ Formation:	Bakken/Three Forks
➤ Age:	Mississippian/Devonian
➤ Depth:	8700' -8800' TVD
➤ Lithology:	Fractured Silty Dolomite Shale
➤ Thickness:	35'
➤ Average Porosity:	9%
➤ Water Saturation:	35%
➤ Primary Drive Mechanism:	Solution Gas Drive

➤ Reservoir Fluid Properties:

➤ Oil Gravity:	42* API Degrees
➤ Reservoir Temperature:	202°F
➤ Gas/Oil Ratio:	850 SCF per STB
➤ Gas Properties:	0.95 Specific Gravity
➤ Formation Volume Factor:	1.2 RB/STB (Standing Correlation)
➤ Original Bottom Hole Pressure:	5000 psi

Rocky Mountain Oil and Gas Journal



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Typical North Dakota Bakken/Three Forks Well Reservoir Data & Economics Continued:

➤ Original Oil-In-Place Calculations:

➤ Reserves Factor:	455 STB per Acre Ft.
➤ Drilling Unit Size:	1,280 Acres
➤ OOIP	9,000 mstbo
➤ Oil Ultimate Recovery:	628,616 stbo
➤ Gas Ultimate Recovery:	578,722 mcf
➤ EUR/OOIP:	7.0%

➤ Economics:

➤ Initial Oil Prod Rate:	900 bopd
➤ Initial Gas Prod Rate:	900 mcf/d
➤ Monthly Operating Costs:	\$5,000
➤ Project Life	33 Years 9 Months
➤ Lease Burden Royalty:	22%
➤ Price Assumption	
➤ Average Oil Price:	\$67.00/bbl
➤ Average Gas Price:	\$5.00/mcf
➤ Net Sales: (Undiscounted)	\$35,108,467
➤ Net Operating Expenses:	\$2,025,000
➤ Net Taxes:	\$2,263,402
➤ Net Income (10% Discount):	\$14,793,473
➤ Investment:	\$5,768,000
➤ Payout:	8 Months
➤ Return of Investment:	5.34
➤ Return on Investment: (Discounted)	3.62

Rocky Mountain Oil and Gas Journal



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Taqa-Hellegaard 9-12H Bakken Reservoir Data, Volumetric Reserve Estimate & Economics

➤ Basic Well Data

- Total Depth: 11,838 Ft
- Casing:
 - 9 5/8", 36#/ft J-55 @ 1221
 - 7", 23 and 26 #/ft, L80 @ 8330
 - 4 1/2", 11.6 #/ft P-110 8,117- 11,83
- Producing Zone: Bakken
- Completion:
 - Perforations: 8490 – 11,707 – 1 foot shot 4 SPF at 150 ft intervals
 - Stimulation: 18 stage fracture treatment, 265,820 Lb Proppant, 8,249 bbl fluid
- Initial Production: 433 BOPD, 150 MCFD, 236 BWPD

➤ Reservoir Data and Volumetrics

- Area of Spacing Unit: 640 Acres
- Reservoir Pressure: 3000 psi
- Reservoir Temperature: 180* F
- Reservoir Drive Mechanism: Solution Gas/ Expansion
- Oil Gravity: 42* API
- Average Porosity: 0.11%
- Thickness: 18 Feet
- Average Water Saturation: 50%
- Formation Volume Factor (BO): 1.29 Res Bbl/STB
- Original Oil in Place: 3,812,066 STB
- Recovery Factor: 5 % of OOIP
- Volumetric Reserves: 190,603 STB

* Montana Board of Oil and Gas. <http://boge.dnrc.mt.gov>



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Taqa-Hellegaard 9-12H Bakken Reservoir Data, Volumetric Reserve Estimate & Economics Continued:

➤ Economics:

➤ Initial Oil Prod Rate:	433 bopd
➤ Initial Gas Prod Rate:	150mcf/d
➤ Working Interest:	100.00%
➤ Revenue Interest:	86.25%
➤ Oil Price:	\$70.00 / STB
➤ Gas Price:	\$4.00 /MMBTU
➤ Lease Operating Expense:	\$12,000/Month
➤ Investment:	\$4,400,000
➤ Future Net Profit, Undiscounted:	\$5,881,154
➤ Future Net Profit, Discounted @ 10%:	\$4,657,155
➤ Rate of Return	100 %/yr
➤ Return on Investment:	2.40 \$ Return/ \$ Invested

* Montana Board of Oil and Gas. <http://bogc.dnrc.mt.gov>*



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Mountainview Annouces Private Placement

- Mountainview has announced a Non-Brokered Private Placement of up to 2,250,000 units @ a price of \$.90 for an aggregate gross proceeds of up to \$2,500,000.
- A unit shall consist of one common share of the Company and one-quarter of one common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one Common Share at a price of \$1.12 per Common Share for a period of one year following the closing of the Private Placement.



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Use Of Proceeds From Private Placement

- Aggressively pursue non-operating working interests in Bakken/Three Forks wells in the Williston Basin.
- Increase our acreage position in both the Williston Basin Bakken/Three Forks and the Alberta Bakken in Northwestern Montana.
 - Purchase 10,000 - 15,000 acres in the Alberta Bakken in the price range of \$25-\$35 an acre
- Permit first four Bakken wells in the Williston Basin-Stateline Project.



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Thank You



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Purchasers' Rights of Action

- **Purchasers' Rights of Action**
- Securities legislation in certain of the provinces of Canada provides certain purchasers with, or requires certain purchasers to be provided with, in addition to any other rights they may have at law, a right of action for rescission or damages or both, against Mountainview, and in certain cases, other persons, where this corporate presentation and any amendment to it and, in certain cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies or notice with respect thereto must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation. The following is a summary of the rights of rescission or damages, or both, available to purchasers of securities of Mountainview under applicable securities legislation and is subject to the express provisions of applicable securities legislation in each of the provinces identified below and the regulations, rules and policy statements thereunder. Each purchaser should refer to the provisions of applicable securities legislation for the particulars of these rights or consult with a legal adviser.

Purchasers' Rights of Action (continued)

- **Saskatchewan**

- Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:
 - the issuer or a selling security holder on whose behalf the distribution is made;
 - a) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
 - b) every person or corporation whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
 - c) every person who or corporation that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
 - d) every person who or corporation that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.
- Such rights of rescission and damages are subject to certain limitations including the following:
 - a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;
 - b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
 - c) no person or corporation, other than the issuer or selling security holder, will be liable for any part of the offering memorandum or any amendment to it purporting to be made on the person's or corporation's own authority as an expert or purporting to be a copy of or an extract from the person's or corporation's own report, opinion or statement as an expert, unless the person or corporation failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed there had been a misrepresentation.
 - d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
 - e) no person or corporation is liable in an action for rescission or damages if that person or corporation proves that the purchaser purchased the securities with knowledge of the misrepresentation.
- In addition, no person or corporation, other than the issuer or selling security holder, will be liable if the person or corporation proves that:
 - a) the offering memorandum or any amendment to it was sent or delivered without the person's or corporation's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or corporation immediately gave reasonable general notice that it was so sent or delivered; or
 - b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or corporation had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Purchasers' Rights of Action (continued)

- **Saskatchewan (continued)**
- Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.
- Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.
- Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.
- Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are purchased from a vendor who is trading in Saskatchewan in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.
- Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.
- The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.
- Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:
 - a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
 - b) in the case of any other action, other than an action for rescission, the earlier of:
 - i. one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - ii. six years after the date of the transaction that gave rise to the cause of action.
- The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or corporation that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Purchasers' Rights of Action (continued)

- **Ontario**

- Section 5.2 of Ontario Securities Commission Rule 45-501 provides that purchasers who have been delivered an offering memorandum in connection with a distribution of securities in reliance upon the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106 have the rights referred to in Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**"). The Ontario Act provides such purchasers with a statutory right of action against the issuer of the securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a misrepresentation.
- Where an offering memorandum is delivered to a purchaser and contains a misrepresentation, the purchaser, without regard to whether the purchaser relied on the misrepresentation, will have a statutory right of action against the issuer for damages or for rescission; if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the issuer. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.
- The Ontario Act provides a number of limitations and defences to such actions, including the following. (a) the issuer is not liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the issuer shall not be liable for all or any portion of the damages that the issuer proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered.
- These rights are not available for a purchaser purchasing in reliance upon the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106 that is: (a) a Canadian financial institution, meaning either: (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or (ii) a bank, loan corporation, trust corporation, insurance corporation, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a province or territory of Canada to carry on business in Canada or a territory in Canada; (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada); (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.