



March, 2005
Version #11

regular ANGEL invitation

Re: The Winnipeg Angel Organization – Angel Membership

The Winnipeg Angel Organization (WAO) would like to invite you to consider becoming an Angel Member of this organization. As an Angel Member, you will be eligible to receive short investment proposals from Winnipeg area entrepreneurs emailed to you or posted on the WAO website.

Your identity as an Angel Member will be completely confidential – the Angel Membership list will not be disclosed. At your request only, your membership contact information can be made available to other Angel Members for purposes of discussion or collaboration concerning any investment proposal that you may review.

If you are interested in pursuing any investment proposal that you receive, you will have the following options. The WAO will:

- a) Arrange an introduction with the entrepreneur or request further information from the entrepreneur for you;
- b) Arrange an informal group presentation for all interested Angel Members;
- c) Arrange a formal group presentation for Angel Members and Regular WAO Members; or
- d) You may simply respond that you have no interest in the proposal.

In addition, you will be able to offer mentorship to any entrepreneur that you believe you can assist with your expertise.

The WAO believes that there are a significant number of new creative, investment ideas that do not get the consideration they deserve. These ideas, with proper financing and mentorship could become profitable new businesses. The WAO's network may provide you with an opportunity to use your financial and business experience to accelerate the development of these ideas.

To be eligible as an Angel Member, individuals or corporations must meet the "accredited investor" test as defined by the Manitoba Securities Commission Rule 45-103. A short summary of Rule 45-103 is attached. WAO Angel Members must also be regular Individual or Corporate Members of the WAO and be individually approved by the WAO board.

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WAO also intends to allow agents (*such as accountants, lawyers, securities dealers, etc*) to receive these investment proposals on your behalf. You will have the option of directing your submissions to an agent approved by WAO. If you would like to contact agents who are Members of WAO and are prepared to receive these presentations on your behalf, please contact the writer or any board member. For your information we have also attached a copy of the declaration that such an Agent for Angels is required to execute.

In addition to fees for regular membership (\$50 individual; \$250 Corporate), Angel Members pay an additional \$250 + GST per year to receive investment proposals directly. Such fees are intended to support WAO as a breakeven operation only. Based on current levels of interest from entrepreneurs, WAO anticipates that you could receive between 1 and 5 proposals per month but at this time WAO cannot estimate actual deal flow.

To allow you to test this network and determine if it is of value to you, WAO offers a 4 month trial period as noted in the attached Declaration.

If you would like to submit an application for Regular Angel membership, please complete and execute the attached Declaration and **return it to WAO – BY FAX at: 254-9056**. Do not send your fee now. WAO will invoice you as we near start-up or you may simply **select the free trial option** as noted on the Declaration.

If you have further questions, please do not hesitate to contact myself or one of the WAO board members.

Yours truly,

“signed”

Board of Directors
The Winnipeg Angel Organization

Founding Directors:

Guy Bieber, CEO	Bieber Securities	tel: 946-0297
Ken Cooper, Managing Director	WSE Holdco	tel: 941-0491
Gary Coopland, President	Ascent Consultants	tel: 237-6864
Dunc Jessiman, Partner	Aikins MacAulay & Thorvaldson	tel: 957-4656
Rob Warren, Professor & Director	Asper Centre for Entrepreneurship	tel: 474-8443

/KC atts

DECLARATION

Version 11

REGULAR ANGELS

BY FAX TO: 254-9056

TO: The Winnipeg Angel Organization ("WAO")

I, _____, hereby declare that:

1. That I am an active independent equity investor in privately held companies.
2. That I meet at least one of the following qualifications:
 - a. I alone, or together with my spouse, beneficially own assets that have an aggregate realizable value (excluding principal residence, before taxes but net of liabilities), exceeding Cdn. \$1,000,000.00; **or**
 - b. My net income before taxes exceeded \$200,000.00 in each of the past two years, and I have a reasonable expectation of exceeding that net income level in the current year; **or**
 - c. My net income before taxes, together with that of my spouse, exceeded \$300,000.00 in each of the past two years, and we have a reasonable expectation of exceeding that combined net income level in the current year; **or**
 - d. Our company has net assets of at least \$5,000,000 and that amount is shown on our most recently prepared financial statements.
3. I undertake to consistently review all investment proposals that I receive and advise WAO promptly of my interest or lack thereof in pursuing the proposal further;
4. I undertake to keep all investment proposals confidential and, without prior approval, I will not disclose contents or discuss details of any proposals I I receive with any other party that is not an Angel Member of WAO;
5. I understand that the WAO provides an entrepreneur with an investment matching service only and provides no investment advice or recommendation. Entrepreneurs and Angel Members are responsible for completing their own due diligence, completing their own confidentiality agreements and coming to their own investment conclusions.
6. As an Angel Member I am prohibited from the solicitation of business through the WAO from fellow Members and presenting entrepreneurs without disclosure to WAO.
7. I understand that the annual Angel Membership fee is \$250 + GST (\$17.50) or \$267.50 in addition to my regular WAO membership fee. I also understand that I may make my Angel Membership inactive and suspend my participation at any time for a period of no longer than four months by notifying the WAO and that I may cancel my membership at any time by notice to WAO by email or phone call.
8. At this time I would like to test the network by using the free 4 month trial option only. _____

Initial here for trial option

AND I MAKE THIS DECLARATION knowing that it is a pre-condition to my acceptance as an Angel Member of the WAO.

DATED this _____ day of _____, 2005.

_____, a Winnipeg Angel Organization Member]

_____ (Corporate name - if a Regular Corporate Member)

_____ (email address) _____ (phone number)

Address

City

Prov

Postal Code

DECLARATION
Draft E
AGENT FOR ANGELS

BY FAX TO: 254-9056

TO: The Winnipeg Angel Organization (“WAO”)

_____, hereby declares that:

1. It is an active Corporate Member of the Winnipeg Angel Organization (WAO);
2. It is prepared to review investment proposals on behalf of active WAO Angel Members;
3. It, along with all the Angel Members it represents, meets at least one of the following qualifications as more fully outlined in Manitoba Securities Commission Rule 2003-3 (MI 45-103 Capital Raising Exemptions):
 - i. Alone, or together with a spouse, beneficially owns assets that have an aggregate realizable value (excluding principal residence, before taxes but net of liabilities), exceeding Cdn. \$1,000,000.00; **or**
 - ii. Has net income before taxes exceeding \$200,000.00 in each of the past two years, and has a reasonable expectation of exceeding that net income level in the current year; **or**
 - iii. Has net income before taxes, together with that of my spouse, exceeded \$300,000.00 in each of the past two years, and we have a reasonable expectation of exceeding that combined net income level in the current year; **or**
 - iv. If a company, has net assets of at least \$5,000,000 and that amount is shown on its most recently prepared financial statements.
4. It undertakes to advise WAO concerning the list of active Angel Members to which it is authorized to present WAO investment proposals and to keep a record of all such presentations;
5. It warrants to WAO that it will keep all investment proposals confidential and will advise its list of Angel Members to keep confidential all investment proposals presented to them and, without prior approval, will not disclose contents or discuss details of any investment proposal that it receives with any other party that is not an Angel Member of WAO;
6. It undertakes to consistently review all investment proposals that it receives and advise WAO promptly of its Angel Members interest or lack thereof in pursuing the opportunity further;

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7. It understands that WAO provides entrepreneurs and Angel Members with an investment matching service only and provides no investment advice to the entrepreneur or recommendation to the Angel Member. Entrepreneurs and Angel Members are responsible for completing their own due diligence, completing their own confidentiality agreements and coming to their own investment conclusions;
8. As an Agent For Angels Member it is prohibited from the solicitation of business through the WAO from other WAO Members and entrepreneurs without disclosure to WAO; and
9. It understands that the annual Agent For Angels fee is \$500 + GST (\$35) or \$535 in addition to its regular WAO Corporate membership fee.

AND THIS DECLARATION IS MADE knowing that it is a pre-condition to acceptance as an Agent for Angels Member of the WAO.

DATED this _____ day of _____, 2004.

_____, a Winnipeg Angel Organization Corporate Member]

_____ (Corporation representative)

_____ (email address of representative)

_____ (telephone number of representative)

Address

City

Prov

Postal Code

THE MANITOBA SECURITIES COMMISSION
MSC RULE 2003-3
(Section 149.1, *The Securities Act*)
MULTILATERAL INSTRUMENT 45-103
CAPITAL RAISING EXEMPTIONS

PART 1 – DEFINITIONS

Definitions

1.1 In this Instrument

"accredited investor" means

(a)

....

....

....

(k) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000,

(l) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent years and who, in either case, reasonably expects to exceed that net income level in the current year,

(m) a person or company, other than a mutual fund or non-redeemable investment fund, that, either alone or with a spouse, has net assets of at least \$5,000,000, and unless the person or company is an individual, that amount is shown on its most recently prepared financial statements,

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....

....

(t)

PART 2 – PRIVATE ISSUER EXEMPTION

Private issuer exemption

2.1(1) The dealer registration requirement does not apply to a person or company with respect to a trade in a security of a private issuer if the purchaser purchases the security as principal and is

(a)

....

....

(h) an accredited investor,

....

....

(k)