

Ex Gratia Update April/May 2008

The unions met with Beothuk Data Systems in January to review the distribution model they have developed for distributing the funds, which appears to be sound. With this well in hand, Beothuk is proceeding with verification of applications and, once that is completed, we expect to be able to proceed with payout very quickly. More than 11,000 applications have been received to date. As of the January meeting about 20% of the total applications had yet to be verified and the time required to complete the verification process is dependent upon the responses received. This verification process must be completed prior to processing the payout.

We have also continued with and almost finalized the Appeals Process, which is necessary before we can make an application to the court. That said, we are simultaneously preparing the documents required for court submission.

We know members are anxious for the payout, as are the unions. We are moving forward with as much of the necessary work as possible at this time in order to expedite the process. Once a target date for distribution has been determined, we will advise accordingly. Until then, the funds remain invested as a 'no risk' investment with a financial institution at a guaranteed rate of return and are growing daily.