This is a preliminary short form prospectus relating to these securities, a copy of which has been filed with the securities commission or other regulatory authority in each of the provinces of Canada, but which has not become final for the purpose of a distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to nor may offers to buy be accepted from residents of such jurisdictions prior to the time a receipt for the final prospectus is obtained from the appropriate securities commission or other regulatory authority.

Preliminary Short Form Prospectus dated September 15, 1997

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Mr. Donald W. Lewtas, Director of Finance of Onex Corporation, at P.O. Box 700, 161 Bay Street, Toronto, Ontario M5J 2S1 (telephone (416) 362-7711). For the purposes of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from Mr. Donald W. Lewtas at the above-mentioned address and telephone number. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons. See "Plan of Distribution".

Secondary Offering

ONEX corporation

$ ●

● % Debentures exchangeable for trust units of ROGERS SUGAR INCOME FUND

(evidenced by Instalment Receipts)

To be dated ● , 1997 | To mature ● , 2007

The debentures of Onex Corporation ("Onex") offered hereby (the "Debentures") will be sold by Onex RSIF Inc. (the "Selling Debentureholder") on an instalment basis at a price of $1,000 per Debenture plus accrued interest payable on closing. The first instalment of $600 per Debenture is payable on the closing of this offering and the final instalment of $400 per Debenture is payable on or before the first anniversary of the closing of this offering. Prior to full payment, beneficial ownership of the Debentures will be evidenced by instalment receipts (the "Debenture Instalment Receipts"). Upon the exchange of Debentures for trust units ("Trust Units") of Rogers Sugar Income Fund (the "Fund") pursuant to the exchange right described below prior to payment of the final instalment, the Debenture Instalment Receipts evidencing beneficial ownership of such Debentures will be exchanged for instalment receipts (the "Trust Unit Instalment Receipts") evidencing beneficial ownership of Trust Units. The Debenture Instalment Receipts and the Trust Unit Instalment Receipts are collectively referred to as the "Instalment Receipts".

Rogers Sugar Income Fund

The Fund is an open-ended, limited purpose trust which will hold all of the common shares and subordinated notes of Rogers Sugar Ltd. ("Rogers"), the leading refiner, processor, distributor and marketer of sugar products in western Canada. Lantic Sugar Limited ("Lantic"), an affiliate of Onex, will provide strategic management and other services to Rogers. Lantic will also administer the Fund, including the payment of distributable cash to holders of Trust Units by way of quarterly distributions. See "Rogers Sugar Income Fund".

If a registered holder of Instalment Receipts does not pay the final instalment on or before the due date, the Debentures or Trust Units, as the case may be, evidenced by such Instalment Receipts may, at the Selling Debentureholder's option, upon compliance with applicable law, be reacquired by the Selling Debentureholder in full satisfaction of the registered holder's obligations or such Debentures or Trust Units, as the case may be, may be sold and the registered holder shall remain liable for any deficiency in the proceeds of such sale. See "Details of the Offering".

The Debentures will mature on ● , 2007 (the "Maturity Date") and will bear interest at an annual rate of ● % payable in quarterly instalments on January 15, April 15, July 15 and October 15 (the "Quarterly Payment Dates") in each year commencing on January 15, 1998. **Onex will have the right, in certain circumstances, to defer interest payments. See "Details of the Offering".**

Exchange Right

Subsequent to the later of (i) the date on which the Fund becomes a "reporting issuer" under the securities laws of the applicable Canadian provinces and (ii) the earlier of 90 days after closing and a date to be determined by the Underwriters, each $1,000 principal amount of Debentures will be exchangeable, at the option of the holder, for 100 Trust Units (an effective exchange price of $10.00 per Trust Unit), subject to adjustment upon the occurrence of certain events. See "Details of the Offering — Debentures — Exchange Right".

The Debentures may not be redeemed by Onex prior to the earlier of (i) ● , 2000 and (ii) the date on which less than $ ● aggregate principal amount of Debentures remain outstanding. At any time on or after such date, the Debentures may be redeemed by Onex on not less than 60 days' prior notice at their principal amount (the "Redemption Value"). At the option of Onex, the Redemption Value may be satisfied by delivery of Trust Units or Trust Unit Instalment Receipts which may have a market value less than the Redemption Value, by certain cash payments or by a combination of the foregoing. See "Details of the Offering — Debentures — Redemption and Purchase".

On the Maturity Date, Onex will repay the Debentures at their principal amount (the "Maturity Value"). At the option of Onex, the Maturity Value may be satisfied by delivery of Trust Units, by certain cash payments or by a combination of the foregoing. See "Details of the Offering — Debentures — Payment upon Maturity".

In certain circumstances on redemption, Debentureholders may be required to accept Trust Units having less value than the principal amount of their Debentures or the current market price of such Trust Units. An investment in the Debentures is subject to the risk of depreciation in the value of Trust Units. See "Risk Factors" and "Details of the Offering — Debentures".

There is currently no market for the Debentures, the Instalment Receipts or the Trust Units. The terms of the Debentures evidenced by the Debenture Instalment Receipts were determined by negotiation between Onex, the Selling Debentureholder and the Underwriters.

Price: 100 of which 60% is payable on closing

	Price to the Public	Underwriters' Fee	Net Proceeds to the Selling Debentureholder (1)(2)
Per Debenture			
First Instalment	$ 600(1)	$ ●	$ ●
Final Instalment	$ 400	—	$ 400
Total per Debenture	$1,000	$ ●	$ ●
Total	$ ●	$ ●	$ ●

Notes:

(1) Plus accrued interest, if any, from ● , 1997 to the date of delivery.

(2) Before deducting expenses of the offering estimated at $ ● which, together with the Underwriters' fee, will be paid by the Selling Debentureholder.

The Underwriters, as principals, conditionally offer the Debentures evidenced by Debenture Instalment Receipts, subject to prior sale, if, as and when sold by the Selling Debentureholder and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Selling Debentureholder and Onex by Davies, Ward & Beck and on behalf of the Underwriters by McCarthy Tétrault. Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that the closing of this offering will take place on ● , 1997 or on such other date as the Selling Debentureholder, Onex and the Underwriters may agree, but not later than ● , 1997, and that Debenture Instalment Receipts will be available for delivery at closing.

One of the Underwriters is a wholly-owned subsidiary of a Canadian chartered bank that is a lender to Onex and has agreed to become a lender to Rogers and to purchase or lend against the final instalments due to the Selling Debentureholder. See "Plan of Distribution".

TABLE OF CONTENTS

SUMMARY OF THE OFFERING

The following summary is qualified by and should be read in conjunction with the more detailed information appearing elsewhere in this prospectus. Reference is made to "Glossary" for the meanings of certain defined terms.

The Debentures

Issue: ● % Debentures of Onex due ● , 2007.

Amount: $ ● million, payable on an instalment basis.

Price: $1,000 per Debenture evidenced by a Debenture Instalment Receipt, of which $600 is payable on the closing of this offering and $400 is payable on or before the first anniversary of the closing of this offering.

Instalment Payment Arrangements: The purchase price for the Debentures is payable on an instalment basis. The first instalment of $600 per Debenture is payable on the closing of this offering and the final instalment of $400 per Debenture is payable on or before the first anniversary of the closing of this offering (not later than 4:00 p.m. local time on that date) by the registered holder of the Debenture Instalment Receipt evidencing such Debenture. Prior to full payment, beneficial ownership of the Debentures will be evidenced by Debenture Instalment Receipts. Upon the exchange of Debentures for Trust Units pursuant to the Exchange Right described below prior to payment of the final instalment, the Debenture Instalment Receipts evidencing beneficial ownership of such Debentures will be exchanged for Trust Unit Instalment Receipts evidencing beneficial ownership of Trust Units and the obligation to pay the final instalment of $4.00 per Trust Unit on or before the first anniversary of the closing of this offering. Each Debenture (or, following exercise of the Exchange Right, each Trust Unit) evidenced by an Instalment Receipt will be pledged to the Selling Debentureholder to secure the obligation of the registered holder to pay the final instalment in respect thereof. See "Details of the Offering — Instalment Receipts".

If a registered holder of Instalment Receipts does not pay the final instalment on or before the due date, the Debentures or Trust Units, as the case may be, evidenced by such Instalment Receipts may, at the Selling Debentureholder's option, upon compliance with applicable law, be reacquired by the Selling Debentureholder in full satisfaction of the registered holder's obligations or such Debentures or Trust Units, as the case may be, may be sold and the registered holder shall remain liable for any deficiency if the proceeds of such sale are insufficient to cover the amount of the final instalment and the costs of sale (such costs of sale not to exceed $25 per Debenture or $1.00 per Trust Unit, as the case may be). See "Details of the Offering — Instalment Receipts — Liability of Instalment Receipt Holders".

Rights of Instalment Receipt Holders: Registered holders of Instalment Receipts will be entitled, in the manner set forth in the Instalment Receipt Agreement described herein, to the rights of ownership attached to the Debentures or, following exercise of the Exchange Right, the Trust Units evidenced by such Instalment Receipts. See "Details of the Offering — Instalment Receipts — Right and Privileges".

Interest: ● % per annum, payable in quarterly instalments on the Quarterly Payment Dates commencing on January 15, 1998. The payment on January 15, 1998 will represent accrued interest for the period from ● , 1997 to December 31, 1997. Onex's obligation to pay interest on any Quarterly Payment Date will be limited if the amount of cash distributions paid on the Trust Units held by the Selling Debentureholders and BAI is less than the interest payment due by Onex on such Quarterly Payment Date. In this event, Onex may elect to defer payment of substantially all interest on the Debentures on a *pro rata* basis to the extent of the shortfall. Deferred interest will accrue. The source of funds to the Fund for distributions on the Trust Units will be payments from Rogers made in respect of the Notes and the Common Shares held by the Fund. So long as any Debentures remain outstanding, Rogers does not intend to make payments to the Fund that would result in a quarterly cash distribution per Trust Unit in excess of $ ● , unless Onex has provided not less than 90 days' advance notice of such payment to the Debentureholders to permit them to exercise the Exchange Right, acquire Trust Units and receive such distribution from the Fund. See "Details of the Offering — Debentures — Maturity and Interest", "Share and Loan Capital of Rogers — Distribution Policy" and "Risk Factors".

Cash Pool: Upon the issuance of the Common Shares to the Fund, Rogers will deposit $16.0 million with Montreal Trust Company of Canada, as collateral agent. These funds, together with interest earned thereon, will be used by Rogers to make distributions, upon the approval of the members of Rogers' board of directors who are nominees of the Fund, on the Notes and Common Shares held by the Fund if the cash distributions Rogers would otherwise make to the Fund would be insufficient to enable the Fund to make cash distributions of at least $ ● per Trust Unit per quarter. The cash pool has been created to provide additional cash distributions to Unitholders so that they may receive the immediate benefit of the expected cash flow from the expansion Rogers is undertaking at its Taber beet sugar processing facility. **Rogers estimates that $9.8 million of the cash pool will be required for this purpose, of which $6.6 million is expected to be used during the 1998 forecast period. The cash pool, together with interest earned thereon, will in any event be distributed in full to Unitholders by no later than the end of fiscal 2000.** See "Details of the Offering — Debentures — Cash Pool".

Exchange Right: Subsequent to the later of (i) the date on which the Fund becomes a "reporting issuer" under the securities laws of applicable Canadian provinces and (ii) the earlier of 90 days after closing and a date to be determined by the Underwriters, each $1,000 principal amount of Debentures will be exchangeable, at the option of the holder, for 100 Trust Units (subject to adjustment upon the occurrence of certain events). Upon the exchange of Debentures for Trust Units prior to payment of the final instalment, the Debenture Instalment Receipts evidencing beneficial ownership of such Debentures will be exchanged for Trust Unit Instalment Receipts evidencing beneficial ownership of Trust Units. All outstanding Debentures will be exchanged for Trust Units (or Trust Unit Instalment Receipts) if such exchange is approved by a resolution passed by holders of not less than a majority of the principal amount of the then outstanding Debentures represented at a meeting of Debentureholders. See "Details of the Offering — Debentures — Exchange Right and — Modification and Mandatory Exchange of Debentures".

The Fund will file a non-offering prospectus in the applicable Canadian provinces to become a reporting issuer in such provinces as soon as practicable following the completion of this offering.

Redemption: The Debentures will not be redeemable by Onex at any time prior to the earlier of (i) ● , 2000 and (ii) the date on which less than $ ● aggregate principal amount of Debentures remain outstanding. At any time on or after such date, the Debentures may be redeemed by Onex on not less than 60 days' prior notice for a cash payment (or at Onex's option, by delivery of Trust Units

	or Trust Unit Instalment Receipts having a Current Market Price at the time of payment) equal to their principal amount. At the option of Onex, the Redemption Value may be satisfied in respect of each $1,000 principal amount of Debentures by delivery of the RSIF Unit Payment, payment of a cash amount equal to the RSIF Cash Payment or any combination thereof. See "Details of the Offering — Debentures — Redemption and Purchase".
Payment upon Maturity:	On the Maturity Date, Onex will repay the Debentures at their Maturity Value. At the option of Onex, the Maturity Value may be satisfied by delivery of Trust Units with a value, based on the Current Market Price per Trust Unit at the Maturity Date, equal to the Maturity Value, by payment of an amount in cash equal to the Maturity Value or by any combination thereof. See "Details of the Offering — Debentures — Payment upon Maturity".
Rank and Security:	The Debentures will be direct unsubordinated obligations of Onex. **Onex will pledge to the Custodian the Underlying Debentures to secure its obligation to deliver Trust Units upon the exercise by a Debentureholder of the holder's Exchange Right. The Selling Debentureholder and BAI will pledge to the Custodian the Trust Units to secure their respective obligations to deliver Trust Units on the exercise by Onex of the exchange rights under the Underlying Debentures.** The right of the Debentureholders to the Underlying Debentures pledged to secure such obligations will be unsubordinated. See "Details of the Offering — Debentures".
Use of Proceeds:	The net proceeds of approximately $ ● from the sale of the Debentures (including amounts realized in respect of the final instalments) will be used indirectly, through the acquisition of the Underlying Debentures, to acquire Trust Units and then by the Fund to acquire the Common Shares and Notes of Rogers. The proceeds from the issuance of the Common Shares and Notes will be used by Rogers to fund a return of capital on the Class A Shares and the Class B Shares of Rogers to be acquired pursuant to the Reorganization by OMI LP and BAI. The proceeds from this return of capital will be used to repay the credit facilities arranged by OMI LP and BAI with a Canadian chartered bank which funded the acquisition by BCS of BC Sugar. See "Use of Proceeds".
Income Tax Considerations:	For a summary of the principal Canadian federal income tax considerations, see "Certain Canadian Federal Income Tax Considerations". All payments to non-residents, whether in cash or Trust Units, upon exchange or redemption or at maturity, and any interest paid on the Debentures, will be net of any applicable withholding taxes.
Eligibility for Investment:	In the opinion of counsel, the Debentures and the Trust Units will, on the date of closing, qualify for investment under certain statutes as set out under "Eligibility for Investment".

Rogers Sugar Ltd.

Rogers:	Rogers is the leading refiner, processor, distributor and marketer of sugar products in western Canada. As the sole sugar processor in western Canada, Rogers supplies over 90% of the demand for refined sugar. Rogers has been in the sugar business since 1890. The Company has two sugar processing facilities: a cane sugar refinery in Vancouver, British Columbia and a beet sugar processing facility in Taber, Alberta. Its products include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups, which are marketed primarily under the "Rogers" trade name. See "Business of Rogers — General".

Facilities and Business:	The Vancouver cane sugar refinery operates at approximately 120,000 tonnes per year, or 75% of capacity, and primarily meets the demand for refined sugar in British Columbia. The Taber beet sugar facility operates at approximately 95,000 tonnes per year, or 100% of current capacity, and primarily meets demands of customers on the Canadian prairies. Rogers' competitive advantages include the proximity of its two processing facilities to major western Canadian markets, the low-cost beet sugar processing facility in Taber and the reserve capacity at the cane refinery in Vancouver. The reserve capacity in Vancouver allows management to meet increases in demand and balance fluctuations in sugar beet availability. In fiscal 1998 (October 1997 to September 1998), Rogers is forecasting sales volume of 223 thousand tonnes to customers in the consumer, industrial and export segments. The gross margin is expected to be approximately \$48.1 million in fiscal 1998. In fiscal 1996, the gross margin was approximately \$50.4 million on 268 thousand tonnes sold. Rogers' single largest customer is expected to represent no more than 10% of sales in the 1998 forecast period. See "Business of Rogers".
Taber Expansion Project:	Rogers is undertaking a \$39.9 million expansion of the Taber facility over the next 24 months. Management of Rogers has prepared a sensitivity analysis of the Taber expansion utilizing current market conditions and operating costs. The analysis indicates that the expansion would have improved Rogers' EBITDA by approximately \$8.0 million per annum if the expansion had been completed as set out in the Hipp Engineering Ltd. study and if the expanded plant had been operating at full capacity as of September 1997. KPMG Consulting has performed an independent review of the reasonableness of this sensitivity analysis and concluded that it is reasonable given the assumptions provided to KPMG Consulting by Rogers' management. See "Business of Rogers — Rogers Facilities — Taber Expansion".
	Rogers Sugar Income Fund
The Fund:	The Fund is an open-ended, limited purpose trust established under the laws of the Province of Ontario, which has been created to hold all of the Common Shares and Notes of Rogers, the sole sugar processor in western Canada.
Trust Units:	An aggregate of ● Trust Units of Rogers Sugar Income Fund will be issued. Each Trust Unit represents an equal undivided beneficial interest in the assets of the Fund. Each Trust Unit is transferrable, entitles the holder thereof to participate equally in distributions of the Fund and to one vote for each Trust Unit held at all meetings of Unitholders. Unitholders are not subject to future calls or assessments (except to the extent that Trust Units are issued on an instalment basis). See "Description of the Fund — Trust Units".
Management Agreement:	Pursuant to the Management Agreement between Lantic and Rogers, Lantic will provide Rogers with strategic management services and project services relating to the expansion of the Taber facility. The initial term of the Management Agreement will be 15 years and will be renewed thereafter for successive five-year terms, unless terminated by the directors of Rogers who are nominees of the Fund at least 12 months before the end of the then current term. The Management Agreement may be terminated by the directors of Rogers who are nominees of the Fund in certain circumstances and may be terminated by Lantic on 12 months' notice. See "Management of Rogers — Management Agreement".

Management Fees:	The Management Agreement provides for an annual base fee of $300,000. In addition, as an incentive to Lantic to enhance the profitability of Rogers and the cash distributions paid in respect of Trust Units, Lantic will be entitled to earn incentive fees which will be payable annually when the cash distributions to Unitholders exceed certain defined levels. See "Management of Rogers — Management Agreement".
Services Outsourcing Agreement:	Pursuant to the Services Outsourcing Agreement between Rogers and Lantic, Lantic will provide Rogers with all of the selling, general and administrative services, the costs of which have historically been allocated to selling, general and administrative expenses on Rogers' financial statements (other than services relating to distribution, the costs of which have historically been expensed as such). Lantic will be paid an annual fee of $4.1 million, adjusted for fluctuations in the consumer price index, in consideration for such services. The initial term of the Services Outsourcing Agreement will be 15 years and will be renewed thereafter for successive five-year terms unless terminated by the directors of Rogers who are nominees of the Fund at least 12 months before the end of the then current term. The Services Outsourcing Agreement may be terminated by the directors of Rogers who are nominees of the Fund in the same circumstances as the Management Agreement and may be terminated by Lantic on 12 months' notice. See "Management of Rogers — Services Outsourcing Agreement".
Corporate Governance of Rogers:	Pursuant to the Governance Agreement between the Fund, Rogers and Lantic Capital, Lantic Capital will be entitled to elect three of Rogers' five directors, with the other two being elected indirectly by the Unitholders. Lantic Capital's nominees may be removed by the Fund in certain circumstances. The Governance Agreement will preclude the issuance of further shares of Rogers without the consent of the Fund, and will limit the borrowing which Rogers can undertake without the unanimous consent of its board of directors. See "Management of Rogers — Governance Agreement".
Distribution Policy of Rogers:	Rogers' policy will be to distribute all of its available cash by way of dividends or return of capital on the Common Shares and interest on (and in certain circumstances repayment of) the Notes, subject to Rogers retaining such reasonable working capital reserves as may be considered appropriate by the board of directors of Rogers at the end of each quarter and provided that Rogers will not distribute cash to the Fund in anticipation of the next Quarterly Payment Date that would result in a cash distribution per Trust Unit on the next Quarterly Payment Date in excess of $ ● per Trust Unit unless Onex has provided not less than 90 days' prior notice of such payment to the Debentureholders to permit them to exercise the Exchange Right, acquire Trust Units and receive such distribution from the Fund. Rogers does not intend to distribute cash by way of return of capital while any Debentures are outstanding. See "Share and Loan Capital of Rogers — Distribution Policy".
Distribution Policy of the Fund:	The amount of cash to be distributed annually per Trust Unit will be equal to a *pro rata* share of interest and dividend income or return of capital received by the Fund in the year less expenses of the Fund. Quarterly distributions will be due and payable to Unitholders of record as of the last day of each calendar quarter and are expected to be made on or about each Quarterly Payment Date. The initial distribution is expected to be received by Unitholders on or about January 15, 1998. See "Description of the Fund — Cash Distributions".

Risk Factors: Investment in the Debentures is subject to a number of risk factors. Interest payments are dependent upon the ability of Rogers to pay its interest obligations on the Notes and declare and pay dividends or return capital on the Common Shares. Substantially all of the interest payments on the Debentures are subject to deferral, which involves certain tax considerations. The business of Rogers is susceptible to a number of risks including fluctuations in the margin received for refined sugar, weather conditions, competition, government regulation and foreign trade policies, dependence on the management services provided by Lantic, employee relations and environmental matters. Other risks associated with an investment in the Debentures include the possibility of Debentureholders being required to accept Trust Units or cash having less value than the principal amount of their Debentures plus accrued but unpaid interest, the risk of equity depreciation in the value of the Trust Units, continued investment eligibility of the Debentures and Trust Units, the nature of the Trust Units, the absence of a prior public market for the Debentures, Instalment Receipts or Trust Units, Onex's right to redeem the Debentures, a Unitholder's potential lack of limited liability, fluctuations in cash distributions on the Trust Units and dilution of the Unitholders. See "Risk Factors".

Summary of Financial Forecasts (1)

Selected Fund Forecast Information:

	Year ending September 30, 1998
	(in thousands)
Interest income on Notes	$ 32,000
Dividends or return of capital from Rogers	6,692
Administrative expenses	300
Distributable cash	38,392
Distributable cash per Trust Unit	●

Selected Rogers Forecast Information:

	Year ending September 30, 1998
	(in thousands)
Revenues	$164,727
Gross margin	48,114
EBITDA	38,792
Net earnings (loss)	(9,369)
Maintenance capital expenditures	2,000
Interest on Notes	32,000
Dividends or return of capital	6,692
Total Note interest, dividends and return of capital	38,692

Note:

(1) The forecasts are based upon detailed assumptions set out under the notes which accompany the respective forecast. The reader is cautioned that some of the assumptions used in the preparation of the forecasts, although considered reasonable by management at the time of preparation, may prove to be incorrect. Actual results obtained during the forecast period will vary from the forecasts and the variations may be material. There is no guarantee that the forecasts will be achieved in whole or in part. See "Financial Forecast of Rogers Sugar Income Fund" and "Financial Forecast of Rogers Sugar Ltd.".

Selected Rogers Historical Financial Information

	Nine Months Ended June 30,		Year Ended September 30,				
	1997	1996	1996	1995	1994	1993	1992
	(unaudited)						
			(in thousands)				
Revenues	$134,013	$149,927	$198,414	$194,710	$187,612	$165,848	$156,006
Gross margin	33,806	40,935	50,373	48,576	42,934	45,270	43,632
EBITDA	15,524(1)	30,958	37,504	31,688(2)	29,389	28,964	26,472
Interest expense	2,638	2,758	3,594	3,636	3,628	4,426	6,174
Earnings before income taxes	10,768	25,955	30,901	25,427	23,105	21,625	16,984
Net earnings	6,502	16,188	19,195	15,243	13,850	12,995	10,268

Notes:

(1) After a $7,000 restructuring charge.

(2) After a $2,045 restructuring charge.

GLOSSARY

In this prospectus, unless the context otherwise requires:

"**Administration Agreement**" means an agreement dated as of the date of closing of the offering between Lantic and the Fund, pursuant to which Lantic will agree to provide administrative services to the Fund;

"**Administrator**" means Lantic in its capacity as administrator of the Fund pursuant to the Administration Agreement;

"**BAI**" means Balaclava Acquisition Inc.;

"**BAI Exchangeable Debenture**" means the $ ● principal amount ● % exchangeable debenture of BAI held by Onex;

"**BAI Lantic Holdings**" means BAI Lantic Holdings Inc., a wholly-owned subsidiary of BAI and the owner of 25% of the outstanding shares of Lantic Investments;

"**BAI Realco Holdings**" means BAI Realco Holdings Inc., a wholly-owned subsidiary of BAI and the owner of 25% of the outstanding limited partnership interests in Lantic Realco;

"**Balaclava**" means Balaclava Enterprises Ltd.;

"**BC Sugar**" means BC Sugar Refinery, Limited;

"**BCS**" means BCS Acquisition Inc.;

"**CBCA**" means the *Canada Business Corporations Act* as the same may be amended from time to time;

"**Class A Shares**" means the Class A special shares in the capital of Rogers to be acquired by OMI LP pursuant to the Reorganization;

"**Class B Shares**" means the Class B special shares in the capital of Rogers to be acquired by BAI pursuant to the Reorganization;

"**Class C Share**" means the Class C special share in the capital of Rogers to be issued to and held by Lantic Capital;

"**Common Shares**" means the common shares of Rogers;

"**Current Market Price**" means in respect of a Trust Unit the weighted average trading price of the Trust Units on The Toronto Stock Exchange for the 20 consecutive trading days ending five trading days preceding the date as of which the Current Market Price is to be determined;

"**Custodian**" means Montreal Trust Company of Canada or its successor as custodian under the Instalment Receipt Agreement;

"**Debentures**" means the ● % debentures of Onex offered hereby;

"**Debenture Indenture**" means the indenture dated the date of closing of this offering between Onex and Montreal Trust Company of Canada, governing the terms of the Debentures;

"**Debenture Instalment Receipts**" means the instalment receipts issued pursuant to the Instalment Receipt Agreement, the registered ownership of which evidences beneficial ownership of the corresponding principal amount of Debentures and the obligation to pay the final instalment in respect of those Debentures;

"**Declaration of Trust**" means the declaration of trust dated as of September 15, 1997 pursuant to which the Fund was created;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization;

"**Exchange Right**" means the right of the Debentureholders to exchange each $1,000 principal amount of Debentures for the RSIF Unit Payment;

"**Excluded Assets**" means the following assets to be transferred by BC Sugar, RSL or subsidiaries of BC Sugar and RSL to Lantic Realco:

(i) a condominium owned prior to the Reorganization by 9002-6741 Quebec Inc., a subsidiary of BC Sugar;

(ii) a 52 acre parcel of land and building beneficially owned prior to the Reorganization by BC Sugar and registered in the name of P-Corp. Holdings Ltd., together with all of the outstanding shares of P-Corp. Holdings Ltd.;

(iii) a 110 acre parcel of land owned prior to the Reorganization by Chatterton Petrochemical Corporation, a wholly owned subsidiary of RSL;

(iv) the land and buildings in Winnipeg, Manitoba owned prior to the Reorganization by RSL comprising the closed-down sugar beet plant previously operated by RSL and adjacent lands; and

(v) the co-ownership interest owned prior to the Reorganization by RSL in the property located in Winnipeg, Manitoba forming part of the Whyte Ridge real estate development joint venture;

"**Extraordinary Resolution**" means a resolution passed by the affirmative votes of not less than 66⅔% of the principal amount of Notes outstanding, either in person or by proxy at a meeting of holders of Notes called for the purpose of approving such resolution, or approval in writing by the holders of not less than 66⅔% of the principal amount of Notes then outstanding;

"**Final Instalment Date**" means the first anniversary of the closing of this offering;

"**Fund**" means Rogers Sugar Income Fund, a trust established under the laws of the Province of Ontario;

"**Governance Agreement**" means the governance agreement dated the date of the closing of this offering between the Fund, Rogers and Lantic Capital relating to the governance of Rogers by the Fund and Lantic Capital;

"**Growers' Association**" means the Alberta Sugar Beet Growers' Marketing Board;

"**HFCS**" means high fructose corn syrup, an alternative nutritive liquid sweetener which can be substituted for liquid sugar in soft drinks and certain other applications;

"**Instalment Receipts**" means collectively the Debenture Instalment Receipts and the Trust Unit Instalment Receipts;

"**Instalment Receipt Agreement**" means the instalment receipt and pledge agreement between the Selling Debentureholder, the Fund, the Underwriters, the Security Agent and the Custodian to be dated the date of closing of this offering pursuant to which the Custodian will issue the Instalment Receipts and the Security Agent will hold the Debentures and, in the event that Debentures are exchanged prior to full payment therefor, the Trust Units pledged to the Selling Debentureholder as security for the final instalment;

"**Lantic**" means Lantic Sugar Limited;

"**Lantic Capital**" means Lantic Capital Inc., an affiliate of Lantic Investments;

"**Lantic Holdings**" means, collectively, on a joint and several basis, OMI Lantic Holdings and BAI Lantic Holdings;

"**Lantic Investments**" means 171266 Canada (1997) Inc., the registered and beneficial owner of all of the outstanding shares of Lantic;

"**Lantic Realco**" means Lantic Real Property Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, all of the partnership interests of which are owned, directly or indirectly, by BAI Realco Holdings and OMI Realco Holdings and which will acquire the Excluded Assets as part of the Reorganization;

"**Management Agreement**" means the agreement between Lantic and Rogers pursuant to which Lantic will agree to provide strategic management services to Rogers;

"**New York Sugar Market**" means the market for No. 11 sugar quoted on the New York Coffee, Sugar & Cocoa Exchange;

"**Note Indenture**" means an indenture dated as of the date of closing of this offering between Rogers and Montreal Trust Company of Canada, governing the terms of the Notes;

"**Notes**" means the $ ● principal amount of ● % unsecured subordinated notes of Rogers due ● , 2027 issued pursuant to the Note Indenture;

"**OMI Lantic Holdings**" means OMI Lantic Holdings Inc., a wholly-owned subsidiary of OMI LP and the owner of 75% of the outstanding shares of Lantic Investments;

"**OMI LP**" means OMI Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

"**OMI Que**" means OMI Quebec Inc., a wholly-owned subsidiary of Onex which owns a majority of the voting and equity interests of OMI LP;

"**OMI Realco Holdings**" means OMI Realco Holdings Inc., a wholly-owned subsidiary of OMI LP and the owner of 75% of the outstanding limited partnership interests in Lantic Realco;

"**Onex**" means Onex Corporation;

"**Onex RSIF Exchangeable Debenture**" means the $ ● principal amount ● % exchangeable debenture issued by the Selling Debentureholder to Onex;

"**Quarterly Payment Dates**" means January 15, April 15, July 15 and October 15;

"**Record Dates**" means March 31, June 30, September 30 and December 31 in each year, and such additional dates as may be fixed by the Trustees;

"**Reorganization**" means the divestiture by RSL and BC Sugar or their subsidiaries of all of the outstanding shares of Lantic Investments (which owns directly and indirectly all of the outstanding shares of Lantic and Refined Sugars, Inc.) and of the Excluded Assets, the amalgamation under the CBCA of RSL, RSIF Newco, BC Sugar, BCS and 505272 N.B. Limited (a wholly-owned subsidiary of BCS, the only assets of which prior to the completion of the Reorganization are all of the outstanding shares of BC Sugar) and the entering into of the Management Agreement and the Services Outsourcing Agreement by Rogers and Lantic;

"**Rogers**" or the "**Company**" means RSL prior to the Reorganization, and after giving effect to the Reorganization, means Rogers Sugar Ltd., a corporation amalgamated under the CBCA;

"**RSIF Cash Payment**" means, in respect of $1,000 principal amount of Debentures, the payment of a cash amount equal to the RSIF Unit Payment multiplied by the Current Market Price per Trust Unit as of the date of payment;

"**RSIF Newco**" means RSIF Newco Inc., a corporation incorporated by the Fund under the CBCA;

"**RSIF Unit Payment**" means, in respect of $1,000 principal amount of Debentures, the delivery of 100 Trust Units or, if applicable, 100 Trust Unit Instalment Receipts (subject to adjustment upon the occurrence of certain stated events);

"**RSL**" means Rogers Sugar Ltd., a corporation continued under the CBCA;

"**Security Agent**" means MTCC Security Agent Corporation or its successor as security agent under the Instalment Receipt Agreement;

"**Selling Debentureholder**" means Onex RSIF Inc.;

"**Services Outsourcing Agreement**" means the agreement between Lantic and Rogers whereby Lantic will provide Rogers with all of the selling, general and administrative services the costs of which Rogers has historically allocated to selling, general and administration expenses on its financial statements (other than services relating to distribution, the costs of which have historically been expensed as such);

"**Special Resolution**" means a resolution passed by a majority of not less than 66⅔% of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of approving such resolution or, except while the Debentures are outstanding, approved in writing by the holders of not less than 66⅔% of the Trust Units entitled to vote on such resolution;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**Trustees**" means the trustees of the Fund from time to time;

"**Trust Units**" means units of the Fund issued pursuant to the Declaration of Trust, each unit evidencing an equal undivided beneficial interest in the Fund;

"**Trust Unit Instalment Receipts**" means the instalment receipts issued pursuant to the Instalment Receipt Agreement, the registered ownership of which evidences beneficial ownership of the corresponding number of Trust Units and the obligation to pay the final instalment in respect of those Trust Units;

"**Underlying Debentures**" means collectively the BAI Exchangeable Debenture and the Onex RSIF Exchangeable Debenture;

"**Underwriters**" means, collectively, ScotiaMcLeod Inc., CIBC Wood Gundy Securities Inc., Nesbitt Burns Inc., RBC Dominion Securities Inc., First Marathon Securities Limited, Midland Walwyn Capital Inc., Goepel Shields & Partners Inc., Lévesque Beaubien Geoffrion Inc. and Newcrest Capital Inc.;

"**Underwriting Agreement**" means the agreement dated ● , 1997 between Onex, the Selling Debentureholder, BAI and the Underwriters relating to the sale and purchase of the Debentures; and

"**Unitholders**" means the registered holders from time to time of the Trust Units.

All dollar amounts in this short form prospectus are expressed in Canadian dollars, unless otherwise indicated. References to "U.S. $" are to United States dollars.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or other regulatory authority in each of the provinces of Canada are specifically incorporated by reference in and form an integral part of this short form prospectus:

(a) annual information form of Onex dated April 17, 1997;

(b) audited consolidated financial statements of Onex and the notes thereto for the fiscal years ended December 31, 1996 and 1995, together with the report of the auditors thereon;

(c) management's discussion and analysis excerpted from the 1996 Annual Report of Onex;

(d) unaudited consolidated financial statements of Onex contained in the interim reports to shareholders for the three months ended March 31, 1997 and 1996 and the six months ended June 30, 1997 and 1996;

(e) proxy circular of Onex dated April 1, 1997 in connection with the annual meeting of shareholders held May 8, 1997 (excluding the Report on Executive Compensation and the Performance Graph);

(f) material change report of Onex dated January 21, 1997 relating to the sale by Onex of 7,650,000 subordinate voting shares to an underwriting syndicate at a price of $23 per share for total gross proceeds of approximately $176 million;

(g) material change report of Onex dated March 25, 1997 relating to the announcement that Onex agreed to sell Imperial Parking Limited to a subsidiary of First Union Management, Inc. for approximately $105 million, net of closing debt and subject to closing adjustments. The sale resulted in Onex receiving approximately $56 million for its interest;

(h) material change report of Onex dated April 11, 1997 relating to the announcement that Celestica International Holdings Inc. ("Celestica Holdings"), a subsidiary of Onex, and Hewlett-Packard Company ("HP") entered into a memorandum of understanding pursuant to which Celestica Holdings would acquire HP's Fort Collins, Colorado printed circuit assembly business;

(i) material change report of Onex dated June 19, 1997 relating to the announcement that Celestica Holdings and HP entered into a memorandum of understanding pursuant to which Celestica Holdings would acquire HP's Exeter, New Hampshire system build, final assembly, test and repair facility;

(j) material change report of Onex dated June 26, 1997 relating to the announcement that Onex and Balaclava agreed to make a joint take-over bid through a company 75% owned by Onex and 25% owned by Balaclava for all of the Class A and Class B common shares of BC Sugar for $16.50 in cash per share; and

(k) material change report of Onex dated August 12, 1997 relating to the announcement that Celestica Colorado Inc. and HP had completed the purchase of the printed circuit assembly business.

All documents of Onex of the type referred to above (excluding confidential material change reports) which are required to be filed with a securities commission or any similar authority in Canada after the date of this short form prospectus and prior to the termination of the offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

ONEX CORPORATION

Onex Corporation ("Onex") is a diversified company that operates through autonomous companies and strategic partnerships. The Onex companies, in which Onex has varying interests, had consolidated operating revenues for 1996 of approximately $8.9 billion, and at the end of such year, had consolidated assets of $3.8 billion and approximately 42,000 employees.

Management of Onex believes the relative position of the major operating companies in their respective industry segments to be as follows:

- Airline Catering: Onex Food Services Inc. ("Sky Chefs"), the largest airline caterer in the world. Revenues for 1996 were $2.1 billion.
- Food Service Distribution: ProSource Distribution Services Inc. ("ProSource"), one of North America's largest food service distributors to chain restaurants. ProSource's revenues for 1996 were $5.6 billion.
- Electronics Manufacturing Services: Celestica Holdings, a leader in manufacturing memory boards, power systems and contract manufacturing services for electronics original equipment manufacturers. Revenues of the business were $2.7 billion for the year ended December 31, 1996.
- Automotive Products: Dura Automotive Systems Inc. ("Dura"), the largest North American supplier of parking brakes to the automotive industry. Dura's revenues for 1996 were $334 million.

In addition, Onex has an interest in a number of strategic and other investments.

Onex's registered and principal office is located on the 49th Floor, 161 Bay Street, Toronto, Ontario M5J 2S1.

Major Developments Since June 30, 1997

On September 2, 1997, Onex announced that Celestica Holdings had completed the acquisition of HP's Exeter, New Hampshire system build, final assembly, test and repair facility. The agreement, in principle, to acquire the business was announced in June 1997. Financing for the acquisition was provided in part by Celestica Holdings, from its cash resources for such purchases, and through available lines of credit from its banks.

The following are the principal operating subsidiaries or investees of Onex and the percentage equity interest held as of June 30, 1997:

	Percentage of Equity Shares Directly or Indirectly Held by Onex	Percentage Voting Interest of Onex
Principal Operating Companies		
Sky Chefs (1)	61%	73%
ProSource (1)	60%	85%
Celestica Holdings (1)	42%	77%
Dura (1)	20%	93%
Strategic and Other Investments (2)		
Alliance Communications Corporation (convertible subordinated debentures) (3)	n/a	
Edwards Baking	18%	
Phoenix Pictures, Inc.	16%	
Purolator Courier Ltd.	19%	
Ripplewood Holdings LLC	15%	
Scotsman Industries	15%	
Tower Automotive Inc.	2%	
Vencap Holdings	90%	

Notes:

(1) On a fully-diluted basis, the percentage equity ownership as at June 30, 1997 is as follows: Sky Chefs — 59%; ProSource — 54%; Celestica Holdings — 40%; and Dura — 20%.

(2) Certain of these equity investments are subject to dilutive factors, none of which is material to Onex.

(3) These debentures, if converted, would give Onex 6.3% of the equity shares based on the capitalization of Alliance Communications Corporation as at December 31, 1996.

Changes in Capitalization and Subsequent Events

The following table sets out the share and loan capital structure of Onex, on a consolidated basis, as at December 31, 1996 and as at June 30, 1997 as well as on a *pro forma* basis as at June 30, 1997 after giving effect to the matters described below:

	Outstanding at Dec. 31, 1996 (1)	Outstanding at June 30, 1997 (1)	Pro Forma June 30, 1997 (1)
		(unaudited) (millions of dollars)	(unaudited)
Indebtedness			
Current bank indebtedness of operating companies *(without recourse to Onex)*	—	79.8	86.8
Long-term indebtedness of operating companies *(without recourse to Onex)*	1,233.7	1,402.7	1,484.7
Capital lease obligations of operating companies *(without recourse to Onex)*	41.7	40.7	40.7
Notes payable to a non-consolidated entity	—	—	188.0
% Debentures exchangeable for trust units	—	—	●
Total indebtedness	1,275.4	1,523.2	●
Deferred income taxes	60.9	79.3	79.3
Minority interest	338.4	487.1	521.1
Shareholders' equity			
Subordinate Voting Shares (2) *(unlimited)*	(39,857,282 shs.) 541.4	(47,507,282 shs.) 710.1	(47,507,282 shs.) 710.1
Multiple Voting Shares *(limited to 100,000 shares)*	(100,000 shs.) —	(100,000 shs.) —	(100,000 shs.) —
Consolidated retained earnings	168.1	224.3	224.3
Contributed surplus	17.5	17.5	17.5
Cumulative translation adjustment	12.7	17.8	17.8
Total shareholders' equity	739.7	969.7	969.7
Total Capitalization	2,414.4	3,059.3	●

Notes:

(1) Underlying amounts in U.S. dollars translated into Canadian dollars at rates which approximate U.S. $1.00 = Cdn.$1.37 at December 31, 1996 and Cdn$1.38 at June 30, 1997.

(2) Companies which may be deemed to be affiliates of Onex purchased prior to December 31, 1996 and continue to hold 3,890,700 subordinate voting shares. The paid-up share value of the subordinate voting shares has been proportionately reduced for accounting purposes as a result of these purchases even though the shares purchased by the affiliates remain outstanding.

The pro forma June 30, 1997 amounts shown in the above table have been adjusted to reflect the acquisition of BC Sugar, the issuance of the Debentures, the Reorganization and the use of proceeds of this offering.

Asset Coverage

After giving effect to the acquisition of BC Sugar, the Reorganization and this offering, the consolidated net tangible assets of Onex as at June 30, 1997 and December 31, 1996 were as follows:

	June 30, 1997	December 31, 1996
	($ millions)	
Consolidated net tangible assets	3,836.0	3,140.3
Add: Estimated net proceeds from this offering	●	●
Consolidated net tangible assets before deduction of deferred income taxes	●	●
Less: Deferred income taxes	—	—
Consolidated net tangible assets after deduction of deferred income taxes	●	●

At June 30, 1997 and December 31, 1996, after giving effect to this offering, consolidated long-term debt of Onex amounted to approximately $ ● million and $ ● million, respectively. Consolidated net tangible assets, after deducted deferred income taxes, were approximately ● times and ● times, respectively, the principal amount of consolidated long-term debt of Onex at such dates.

Interest Coverage

After giving effect to the acquisition of BC Sugar, the Reorganization and this offering, the maximum and minimum annual interest requirements for consolidated long-term debt of Onex for the 12 months ended June 30, 1997 were approximately $ ● million and $ ● million, respectively, and for the 12 months ended December 31, 1996 were approximately $ ● million and $ ● million, respectively. The consolidated earnings of Onex available for the payment of interest for those periods were approximately $293.4 million and $236.5 million, respectively, or approximately ● times and ● times, respectively, the maximum annual interest requirements for those periods and approximately ● times and ● times, respectively, the minimum annual interest requirements for those periods. In the foregoing interest coverage calculations, no interest income has been attributed to the net proceeds of this offering and to the Underlying Debentures, the payment of which is dependent on the distributions by the Fund on the Trust Units.

ONEX RSIF INC.

The Selling Debentureholder will be a wholly-owned subsidiary of Onex, incorporated under the CBCA and having its registered and principal office at 49th Floor, 161 Bay Street, Toronto, Ontario M5J 2S1. Immediately prior to the closing of this offering, the Selling Debentureholder will purchase the Debentures from Onex at a price of $1,000 per Debenture.

ROGERS SUGAR INCOME FUND

Rogers Sugar Income Fund (the "Fund") is an open-ended, limited purpose trust established under the laws of the Province of Ontario by a declaration of trust (the "Declaration of Trust") dated as of September 15, 1997. The principal and head office of the Fund is located at 123 Rogers Street, Vancouver, British Columbia V6B 3V2. It is intended that the Fund will qualify as a mutual fund trust for the purposes of the Tax Act. The Fund has been created to acquire all of the Common Shares and $ ● million aggregate principal amount of Notes of Rogers.

To the maximum extent possible, the Fund will make cash distributions to Unitholders of amounts received by the Fund by way of dividends or return of capital on Common Shares of Rogers and interest on (and in certain circumstances repayment of) the Notes of Rogers after expenses and any cash redemptions of Trust Units and amounts required for the operation of the Fund. See "Description of the Fund — Cash Distributions". Cash distributed will be payable to Unitholders of record on the Record Dates and is expected to be received by Unitholders on or about the 15th day after each Record Date, with the first such payment date expected to be received on or about January 15, 1998.

Rogers will retain Lantic to provide strategic management services to Rogers pursuant to the Management Agreement and will outsource to Lantic pursuant to the Services Outsourcing Agreement all selling, general and administrative services other than distribution services. The Fund will retain Lantic to administer the Fund on behalf of the Trustees pursuant to the Administration Agreement. See "Management of Rogers — Management Agreement and Services Outsourcing Agreement" and "Description of the Fund — Administration of the Fund".

Acquisition and Reorganization of Rogers

Pursuant to its offer dated July 7, 1997 for the shares of BC Sugar, BCS, a corporation owned as to 75% by OMI LP and as to 25% by BAI, acquired all of the outstanding shares of BC Sugar for $16.50 per share. OMI LP is a limited partnership indirectly controlled by Onex and BAI is an indirect wholly-owned subsidiary of Balaclava, a corporation controlled by a family trust established by the late Morris Belkin.

At the completion of the BC Sugar acquisition, BC Sugar owned all of the outstanding shares of RSL (a predecessor of Rogers) and, indirectly through RSL, all of the outstanding shares of Lantic, RSI and certain other entities. Rogers is the leading refiner, processor, distributor and marketer of sugar products in western Canada. Lantic is one of the two major refiners, distributors and marketers of refined sugar products in eastern Canada. RSI is a major sugar refiner operating in the northeastern United States.

Prior to the amalgamation described below, the shares of Lantic Investments, and indirectly its wholly-owned subsidiaries Lantic and RSI, will be transferred to OMI Que and BAI, the Excluded Assets of Rogers will be transferred to Lantic Realco and RSL will acquire a demand non-interest bearing note in the principal amount of approximately $133.5 million (the "OMI Que Note") of OMI Que, a demand non-interest bearing note in the principal amount of approximately $44.5 million (the "BAI Note") of BAI and demand promissory notes in the aggregate principal amount of approximately $15.5 million (the "Lantic Realco Notes") of Lantic Realco.

The Fund will incorporate RSIF Newco under the CBCA. BCS, 505272 N.B. Limited (a wholly-owned subsidiary of BCS, the only assets of which are all of the outstanding shares of BC Sugar), BC Sugar, RSL and RSIF Newco will amalgamate pursuant to the CBCA and Rogers will continue as the amalgamated corporation. Upon the amalgamation becoming effective:

- the Fund will receive one Common Share of Rogers; and
- OMI LP will receive ● Class A Shares of Rogers, BAI will receive ● Class B Shares of Rogers, and the capital of such shares will be reduced to $ ● .

Rogers will then enter into the Management Agreement and the Services Outsourcing Agreement with Lantic and the Governance Agreement with the Fund and Lantic Capital. Lantic Capital will then subscribe for one Class C Share of Rogers for nominal consideration.

The Class A Shares and the Class B Shares will be redeemable and retractable for a fixed redemption amount. Following the Reorganization and the return of capital on the Class A Shares and the Class B Shares, as described below, the aggregate redemption amount of the Class A Shares and the Class B Shares will be equal to the aggregate principal amount of the OMI Que Note and the BAI Note held by Rogers. The Class A Shares and the Class B Shares may be redeemed by Rogers and may be retracted by OMI Que and BAI in cash or, at Rogers' option, by delivery of the OMI Que Note and the BAI Note. The Class A Shares will be non-voting and will not be entitled to any dividends. The Class B Shares will not be entitled to any dividends but will be entitled to vote on a *pro rata* basis such that the total number of votes attaching to all the Class B Shares shall be equal to 10.01% of the aggregate votes of all classes of shares entitled to vote at a meeting at shareholders of Rogers. Under the terms of a voting trust agreement between BAI and the Fund, the Fund will be entitled to vote the Class B Shares so long as they remain outstanding. The holder of the Class C Share is entitled to elect three of the five directors of Rogers Sugar, is not entitled to any other voting rights or to dividends and is entitled to $1 on liquidation. See "Share and Loan Capital of Rogers — Special Shares".

Immediately prior to the closing of this offering, the Fund will enter into the Administration Agreement with Lantic. The Fund will then issue at least 15,000 Trust Units to no fewer than 150 employees of Rogers for aggregate proceeds of not less than $150,000 and 1,000 Trust Units to certain seed capital investors for aggregate proceeds of approximately $10,000, of which $6,000 is payable at closing and $4,000 is payable on or before the first anniversary of the closing of this offering. Financial assistance will be provided to the employees in connection with their acquisition of such Trust Units. All of such Trust Units will be subject to resale restrictions pursuant to applicable securities laws. As a result of these issuances of Trust Units, the Fund will qualify as a mutual fund trust under the Tax Act.

Concurrent with the closing of this offering:

(1) The Selling Debentureholder will use the net proceeds from the sale of the Debentures (including amounts realized in respect of the final instalments) to purchase Trust Units from the Fund for $ ● million and to purchase the BAI Exchangeable Debenture for $ ● million.

(2) BAI will use the $ ● million realized upon the sale of the BAI Exchangeable Debenture to purchase ● Trust Units from the Fund.

(3) The Fund will use the $ ● million of proceeds from the sale of Trust Units in (1) and (2) above, to invest in Common Shares and Notes to be issued by Rogers.

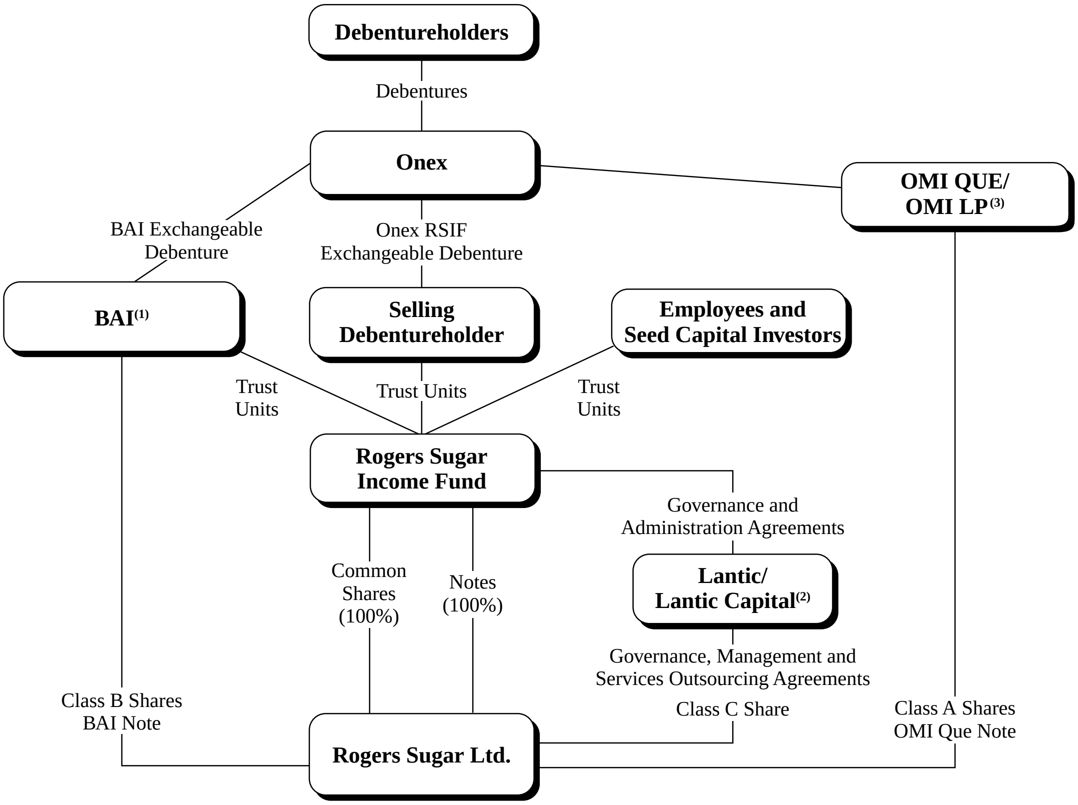
(4) After the closing of this offering, Rogers will repay $ ● million of indebtedness using a portion of the proceeds from the sale of its securities in (3) above or proceeds from its Non-Revolving Loan Facility and will deposit $16 million with Montreal Trust Company of Canada, as collateral agent, to hold as the cash pool. See "Details of the Offering — Debentures — Cash Pool".

(5) Rogers will distribute $ ● and $ ● to OMI LP and BAI in reduction of the capital of the Class A Shares and Class B Shares of Rogers, respectively. Rogers will also transfer the Lantic Realco Notes to OMI LP and BAI in reduction of the capital of the Class A Shares and the Class B Shares of Rogers.

(6) Upon completion of the foregoing the Fund will hold ● Common Shares and $ ● principal amount of Notes of Rogers.

Structure of the Fund

The following diagram illustrates the primary structural and contractual relationships between the parties indicated upon completion of this offering and the Reorganization.



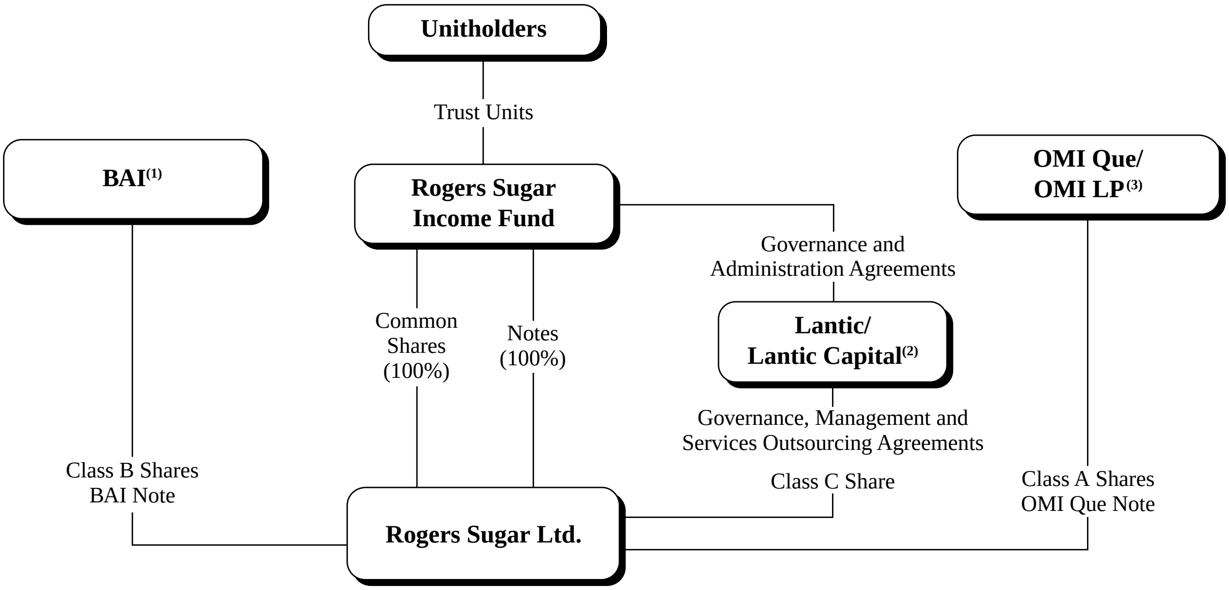
Notes:

(1) BAI is a subsidiary of Balaclava. Rogers holds the BAI Note. BAI holds the Class B Shares.

(2) Lantic Capital is an affiliate of Lantic. Lantic is a party to the Administration, Management and Services Outsourcing Agreements. Lantic Capital is a party to the Governance Agreement and holds the Class C Share.

(3) OMI LP is controlled by OMI Que. Rogers holds the OMI Que Note. OMI LP holds the Class A Shares.

The following diagram illustrates the primary structural and contractual relationship between the parties indicated after all the Debentures have been exchanged for Trust Units and assuming there have been no other changes. See "Details of the Offering — Debentures — Exchange Right".



Notes:

(1) BAI is a subsidiary of Balaclava. Rogers holds the BAI Note. BAI holds the Class B Shares.

(2) Lantic Capital is an affiliate of Lantic. Lantic is a party to the Administration, Management and Services Outsourcing Agreements. Lantic Capital is a party to the Governance Agreement and holds the Class C Share.

(3) OMI LP is controlled by OMI Que, a subsidiary of Onex. Rogers holds the OMI Que Note. OMI LP holds the Class A Shares.

BUSINESS OF ROGERS

General

Rogers is the leading refiner, processor, distributor and marketer of sugar products in western Canada. As the sole sugar processor in western Canada, Rogers supplies over 90% of the demand for refined sugar. Rogers has been in the sugar business since 1890. The Company has two sugar processing facilities, a cane sugar refinery in Vancouver, British Columbia and a beet sugar processing facility in Taber, Alberta. The Company's sugar products are marketed primarily under the "Rogers" trade name and include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups.

History of Rogers

In 1890, the Rogers family constructed western Canada's first cane sugar refinery on the site of the Company's present Vancouver facility. The refinery was Vancouver's first substantial industry not based on forestry or fishing. Production of refined sugar commenced in 1891, with raw sugar imported from Asia. The Company expanded into the processing of sugar beets with the purchase of a factory in Raymond, Alberta in 1931. Rogers subsequently acquired businesses with factories in Picture Butte and Taber, Alberta. Only the latter facility now operates in that province. Rogers acquired control in the 1950s of Manitoba Sugar Company, which had a beet sugar processing facility in Winnipeg. Rogers ceased production at the Winnipeg facility in January 1997.

The Sugar Industry

General

Refined sugar has been used extensively for centuries. It is a sweetening agent, a flavour enhancer, a "body" agent, a preservative and a fermentation aid. Refined sugar is derived from either sugar cane or sugar beets. Sugar produced from sugar beets is identical to that produced from sugar cane.

Sugar cane is grown largely in tropical climates and is usually processed close to the growing site into raw sugar which is non-perishable and easily transportable. This product is typically up to 98% sucrose and looks like brown sugar, but is unfit for human consumption. The raw sugar is then refined, resulting in a product that is virtually 100% sugar. Canada relies heavily on imported raw sugar to meet domestic refined sugar requirements.

Sugar beets are grown in colder climates such as the Canadian prairies and the mid-western United States. The crop is planted in the spring and harvested in September and October. Sugar beets are stockpiled at specific locations near processing plants and must be fully processed before spring's warmer temperatures deteriorate the stockpiled beets and reduce their sugar yield. Generally, a beet factory processes beets for approximately six months from harvest.

World Sugar Environment

World raw sugar production for the marketing year of October 1997 to September 1998 is estimated to be 124 million tonnes. Of this amount, imports destined for western Canada will amount to approximately 0.1 million tonnes.

Raw sugar production is subsidized or controlled in many countries including the United States and certain members of the European Union. Canada does not subsidize the production or processing of raw sugar. Many countries also have trade policies restricting the importation of refined sugar. Canada has traditionally had a relatively open market for both refined and raw sugar. However, in November 1995, the Canadian International Trade Tribunal imposed anti-dumping and countervailing duties on dumped and subsidized refined sugar imports from the United States and certain European Union countries.

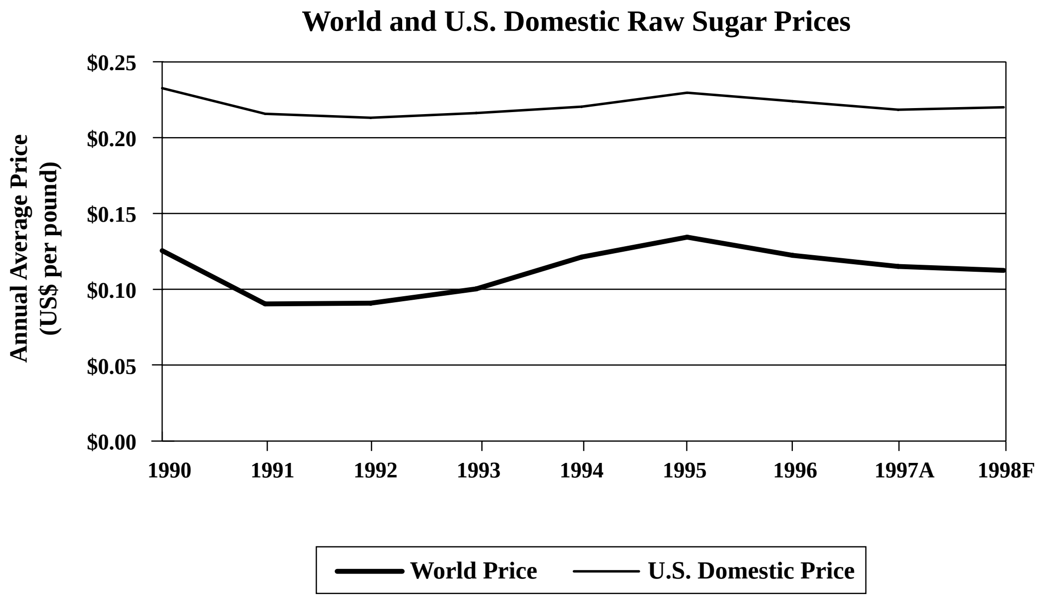
North American Sugar Environment

The trade of sugar in North America is characterized by legislative issues which restrict the movement of sugar between the United States, Canada and Mexico. Over the last few years, access to the United States has been further reduced by the imposition of stricter import quotas for refined sugar and sugar-containing products. In November 1995, Canada imposed anti-dumping tariffs against imports of refined sugar from the United States. Management expects most of these barriers to remain in place until such time as the United States abolishes or fundamentally changes its current sugar price support program.

North American per capita consumption of sugar has generally been stable for several decades, however, per capita consumption declined in the 1980s following the introduction of HFCS. HFCS, a liquid sweetener derived from corn, gained market acceptance as a substitute for liquid sugar in certain applications such as soft drinks. The artificially high price of sugar in the United States also encouraged HFCS production.

In Canada and the United States, HFCS has largely replaced liquid sugar in applications where the two products may be used interchangeably. HFCS becomes competitive with refined sugar in certain liquid sugar markets when the price of No. 11 raw sugar exceeds approximately U.S.$0.10 per pound. Liquid sugar produced from sugar beets at the Taber facility remains cost competitive with HFCS on the Canadian prairies.

The chart below presents the significant difference in the world price of raw sugar paid by the Canadian industry versus the United States domestic raw sugar price. In addition, the chart illustrates the U.S.$0.09 to U.S.$0.13 range of the average world price per pound since 1990.



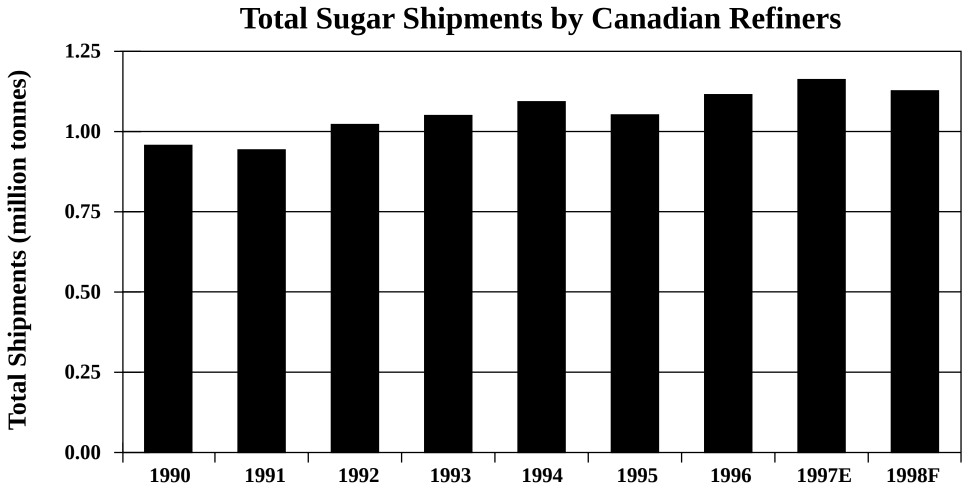
Source: International Sugar Organization, U.S. Department of Agriculture and Rogers.

Artificial sweeteners, which are high-intensity non-caloric sweeteners that lack some of the physical properties of sugar, have found application in certain uses such as diet soft drinks. However, unlike HFCS, artificial sweeteners have, for the most part, created new markets rather than competing with sugar.

Canada

Total consumption of sugar in Canada does not fluctuate significantly from year to year and has grown modestly, reflecting population growth. The Canadian population, as reported by Statistics Canada, is expected to reach 37.1 million by 2016 from the present level of 30.0 million. The population of western Canada (British Columbia, Alberta, Saskatchewan and Manitoba) is expected to reach 11.0 million from the present level of 8.8 million.

Since 1990, sugar shipments from Canadian refiners have risen from 0.9 million tonnes to 1.1 million tonnes.



Source: Rogers.

Domestic cane sugar refineries rely entirely on imported raw sugar purchased at world prices to meet their raw sugar requirements. Canada, unlike the United States, has not protected domestic production of raw sugar. As a result, the prevailing price of refined sugar in Canada has historically been below that in the United States.

Sugar margins historically have been relatively stable in Canada. However, margins came under pressure during the mid-1990s due to dumping of refined sugar from United States and subsidized refined sugar from European Union producers. In 1995, Canada imposed anti-dumping and countervailing duties on imports of refined sugar from these countries due to the threat of injury that such imports could cause to Canadian refiners. The imposition of the anti-dumping and countervailing duties eliminated most imports into Canada. Following the introduction of anti-dumping and countervailing duties, Redpath Sugar Ltd. ("Redpath"), an eastern Canadian sugar refiner, announced a 75% increase of its refining capacity. In order to fill this newly announced capacity Redpath pursued an aggressive pricing strategy which temporarily reduced gross margins below their historical levels. The market stabilized in early 1997 and Rogers' margins are now returning to historical levels.

Rogers' Business Strategy and Outlook

Rogers intends to maintain its position as the leading refined sugar supplier in western Canada, in part by further improving its low cost advantages. The Company's primary competitive advantage is the proximity of its processing facilities to major western Canadian markets. The rationalization of beet processing operations (closure of Winnipeg and expansion of Taber) and the maintenance of reserve capacity at the Vancouver facility provide additional competitive advantages. Continued emphasis on productivity improvements and cost reductions will remain an integral part of Rogers' strategy. Rogers will continue to remain focused on providing the consumers of western Canada with high quality, competitively priced sugar.

The Company anticipates two sources of earnings growth in the future: volume increases and gross margin improvements. The continued growth of the western Canadian population base, as described above, should result in an increased volume of sugar being processed by the Vancouver refinery and the expanded Taber facility. The margin improvements are expected to be derived from the return of gross margins to their historical levels and the improved efficiencies anticipated from the expansion of the Taber facility.

Rogers' Facilities

Cane Sugar Operations, Vancouver, British Columbia

Rogers' cane sugar operation is located on a 20 hectare site on the inner harbour in Vancouver, British Columbia. The original facility was constructed in 1890. Numerous improvements have been made to the building and processing areas of the plant to maintain them in good condition and to capture modern efficiencies consistent with industry practices. Based on a five-day work week and full utilization, the refinery's capacity is 160,000 tonnes per year, which is approximately 40,000 tonnes over current operating requirements.

The Vancouver refinery primarily meets the demand requirements for refined sugar in British Columbia. Raw sugar is received at the facility by ship in approximately 20,000 tonne bulk cargos. Five or six shipments, primarily from Australia, are received each year. Raw cane sugar is produced for export in a number of countries, and alternative sources are available in the event of a disruption of raw sugar shipments from Australia. The facility refines the raw sugar by extracting impurities, resulting in a product that is nearly 100% sugar. The Vancouver refinery produces a full line of over 40 different sugar products and package sizes.

Beet Sugar Operations, Taber, Alberta

The Company's beet sugar processing facility is situated on a 49 hectare site in Taber, Alberta, approximately 50 kilometers east of Lethbridge. The facility was constructed in 1950 and underwent an expansion in the mid-1960s. A number of projects have been undertaken to modernize the facility and improve its efficiency. The factory is currently capable of slicing 4,000 tonnes of beets per day and has averaged approximately 550 tonnes of sugar production per day. In recent years, Taber has operated at capacity, producing 90,000 to 100,000 tonnes of refined sugar per year. As a result of its proximity to key markets, its risk sharing arrangement with growers and its low processing costs, Taber is now the lowest cost sugar processing facility in Canada. In addition, constantly improving growing methods have produced significantly enhanced quality beets with higher sugar yields resulting in over 30% more sugar per tonne of beets since the mid-1980s, making southern Alberta one of the top sugar beet growing areas in North America.

The Taber facility primarily meets the demands of customers on the Canadian prairies. Each year, Rogers estimates the quantity of sugar required and, with reference to a master agreement negotiated with the Growers' Association, enters into individual contracts with approximately 300 farmers. Among other things, the contracts specify the actual acreage to be dedicated to sugar beet production. The growers deliver sugar beets to the Company's stockpiling grounds in September and October.

As currently configured, the plant produces refined sugar in a continuous process. The beets are initially sliced into cossettes (similar to shoe string potatoes). The cossettes are then heated to extract the sugar in the form of a juice. The juice is then purified to create "thick juice". Water is then evaporated from the thick juice until crystallization. The sugar crystals are dried and stored as bulk sugar. The refinery operates without interruption for approximately 170 days, until all sugar beets have been processed. The facility produces granulated, liquid and icing sugars. By-products consisting of dried beet pulp and molasses are sold as ingredients for animal feeds and contribute to the profitability of the beet sugar operations. Most of the by-product sales are made in Canada, but export opportunities to the United States and Asia have been increasing.

Taber Expansion

The Company is undertaking a $40 million expansion of the Taber facility over the next 24 months. See "Capital Expenditures" below. The equipment and processes to be implemented have been successfully installed in over 300 beet processing facilities in the United States and Europe over the past 30 years. The expansion program will result in three significant improvements: (i) an increase in the daily slicing capacity by 50% to 6,000 tonnes of beets per day; (ii) the building of thick juice storage capacity at the intermediate stage to permit further processing at a later date; and (iii) reduction of refined sugar storage costs. The project is expected to contribute to EBITDA starting in fiscal 1999 with the full impact expected in fiscal 2000.

The Company plans to shift a portion of total production volume from Vancouver to Taber as Taber's capacity expands.

The facility has a number of strategic advantages which make the expansion economically attractive. Taber is ideally situated in one of North America's best sugar beet growing regions, southern Alberta, which provides the following advantages:

- a plentiful supply of irrigated lands well suited to beet production (current acreage can be easily expanded);
- the northern climate provides long hours of sunlight during the growing season and early, cold winters which ensure efficient storage of harvested beets;
- a strong relationship with local beet growers formalized by a five-year revenue sharing agreement (four years remaining);
- a sugar yield from locally produced beets among the highest in North America; and
- an efficient and well educated local farming community.

Additionally, the operating costs of the processing plant are attractive due to its Alberta location:

- there is a readily available seasonal workforce;
- the plant has favourable labour relations with its full-time workforce; and
- Alberta energy costs are among the lowest in North America.

Rogers commissioned Hipp Engineering Ltd. ("Hipp"), consulting engineers, to undertake a study of the timing, costs and impact on processing capacity of the Taber plant expansion. In its report, Hipp concluded that the expansion should be completed by September 1999 at an estimated total capital cost of $40 million. Hipp also indicated that the expansion will take the plant's beet processing capacity from an average of 4,000 tonnes per day to 5,000 tonnes per day by September 1998, and to 6,000 tonnes per day by September 1999. The expansion project contemplates, among other things, an increase in the capacity of beet storage, slicing, extraction, pressing, evaporating and thick juice storage.

Management of Rogers has prepared a sensitivity analysis of the Taber expansion utilizing current market conditions and operating costs. The analysis indicates that the expansion would have improved Rogers' EBITDA by approximately $8.0 million per annum if the expansion had been completed as set out in the Hipp study and if the expanded plant had been operating at full capacity as of September 1997. KPMG Consulting has performed an independent review of the reasonableness of this sensitivity analysis and concluded that it is reasonable given the assumptions provided to KPMG Consulting by Rogers' management.

Holders of Trust Units will immediately benefit from the expected cash flow from the expansion Rogers is undertaking at its Taber facility. To achieve this, Rogers will deposit $16.0 million in a segregated cash collateral account maintained with Montreal Trust Company of Canada, as collateral agent, for the benefit of Unitholders. These funds, together with interest thereon, will be used by Rogers to make distributions, upon the approval of the members of Rogers' board of directors who are nominees of the Fund, on the Notes and Common Shares held by the Fund to provide cash distributions to make cash distributions of at least $ ● per Trust Unit per quarter, is expected to be available once the Taber expansion is completed. Rogers estimates that $9.8 million of the cash pool will be required for this purpose, of which $6.6 million is expected to be used during the 1998 forecast period. The cash pool, together with interest thereon, will in any event be distributed in full to Unitholders by no later than the end of fiscal 2000. See "Capital Expenditures", "Details of the Offering — Debentures — Cash Pool".

Operations

Rogers' earnings are primarily a function of the volume of sugar sold in western Canada and the gross margin received on this volume. Rogers' gross margins vary according to the product type and the customer segment to which the sugar is sold.

Rogers purchases raw cane sugar for its Vancouver refinery at prices established by the New York Sugar Market. A refining margin is added to the raw sugar purchase price to set a base selling price for bulk refined sugar. The bulk refined sugar price then serves as a basis for all pricing. Raw sugar prices do not materially affect the profitability of the cane sugar operation since fluctuations in the raw sugar price are generally passed on to customers or hedged.

Rogers purchases its beet sugar requirements for its Taber facility on the basis of the revenue sharing formula set out in the master agreement between the Growers' Association and Rogers. As a result, the impact on gross margins of fluctuations in the raw sugar price is largely mitigated by the revenue sharing formula. Production costs of the Taber facility are relatively fixed.

Sales volumes have remained relatively constant over the last five fiscal years, ranging from a low of 239 thousand tonnes in 1992 to a high of 270 thousand tonnes in 1994. Fiscal 1996 sales volumes were 268 thousand tonnes. Management believes that fiscal 1997 and fiscal 1998 sales volumes will be approximately 255 thousand tonnes and 223 thousand tonnes, respectively. The expected decrease is due to a decline in lower gross margin liquid sugar sales resulting from the closure of the Winnipeg beet processing facility and the increase in sales of the liquid sugar substitute, HFCS. Management believes that Rogers' liquid sugar sales volumes are unlikely to decline further and some should be recaptured once the Taber expansion project has been completed.

As the Company's low-cost facility, Taber sells all of its sugar output each year and Vancouver acts as the swing producer. The level of output at Taber is directly related to the volume and quality of beets being processed. As an agricultural product, weather and soil conditions influence the sugar yield of sugar beets. It has been Rogers' experience that fluctuations in the sugar beet crop due to weather or soil related problems have been minimal. The Vancouver refinery output can be adjusted to meet market requirements and fluctuations in beet sugar production. Rogers' production and sales volumes for the past five fiscal years, its estimate for fiscal 1997 and forecast for fiscal 1998 are as follows:

Sugar Production and Sales

	Forecast	Estimate	Actual				
	1998	1997 (1)	1996	1995	1994	1993	1992
			(In thousands of tonnes)				
Sugar Production							
Vancouver	110	126	129	106	153	122	101
Taber (2)	91	97	94	102	73	68	81
Winnipeg (3)	0	47	56	64	41	46	59
Total Production	201	270	279	272	267	236	241
Total Sales	223	255	268	262	270	247	239

Notes:

(1) Eleven month actual production was Vancouver 115, Taber 97 and Winnipeg 47, for a total of 259, and eleven month actual total sales were 232.

(2) The first phase of the Taber facility expansion is expected to be completed by fiscal 1999 with the facility operating at full expanded capacity by fiscal 2000.

(3) The closure of the Winnipeg facility was announced in January 1997. As at September 30, 1997, inventory at the Winnipeg facility will be approximately 18 thousand tonnes. All inventory is expected to be sold in fiscal 1998.

Customer Segments

Overview

Rogers' products are marketed to industrial and consumer customers primarily in western Canada under the "Rogers" trade name. Products include granulated, icing, cube, yellow and brown sugars, liquid sugars and specialty syrups.

Rogers has over 230 customers. No single customer is expected to represent more than 10% of the Company's sugar sales in fiscal 1998. Rogers' customer segments are: industrial, consumer and export. In the 1998 forecast, these segments are expected to represent 50%, 43% and 7% of total volume, respectively, and 38%, 56% and 6% of total sugar revenue, respectively. The consumer segment will represent the greatest proportion of the Company's gross margin due to its value added requirements.

Pricing

Pricing for all refined sugar is calculated daily based upon the raw cane sugar price on the New York Sugar Market. Depending upon the type of packaging and other value-added features, a "product differential" is added to the bulk sugar price for all packaged and liquid products. Each customer's price is then negotiated in terms of a discount from the bulk price plus the appropriate product differential.

Industrial

Management expects the industrial category, consisting of bulk sugar, large packaged granulated sugar and liquid sugar, to represent 38% of sugar revenues in fiscal 1998, but a smaller proportion of gross margin. The two largest customer classes in the industrial segment are food processors and beverage manufacturers. Other customer classes include confectioners, bakeries and dairies. Sales to industrial customers are generally by contract for specific volumes at fixed prices. Distribution in the industrial segment is on a direct, vendor-to-buyer basis, with only minimal use of brokers.

The industrial bulk and large packaged granulated sugar businesses are forecast to represent only about 17% of total sugar revenues of Rogers in fiscal 1998, as most large industrial users are located in eastern Canada.

Liquid sugar sales have historically accounted for over 30% of Rogers' total sugar revenues. In fiscal 1998, liquid sugar revenues will decrease to 21% of Rogers' total sugar revenues due to the closure of the Winnipeg processing facility and the increase in sales by the liquid sugar substitute, HFCS. Liquid sugar remains an important component of total sales. Rogers is able to compete with HFCS because of the Company's superior distribution capabilities in western Canada and its revenue sharing agreement with beet growers. Management believes that liquid sugar sales volumes are unlikely to decline further and should increase once the Taber expansion project is completed.

Consumer

Management expects the consumer category to represent 56% of the Company's total sugar revenues in fiscal 1998. The consumer segment's gross margin contribution is disproportionately greater than its revenue contribution due to its value-added specifications. The consumer segment is generally defined in terms of the retail, wholesale and food service segments. HFCS and artificial sweeteners do not compete in a material way with sugar for consumer sales.

Sugar sales in the consumer category occur through two main distribution channels: grocery and mass merchandisers. In fiscal 1998, approximately 87% of consumer sugar sales are forecast to be through the grocery channel with the balance through mass merchandisers. Contracts for consumer sales usually specify the volume and duration, typically one or two years, while pricing is determined daily based upon the issued price list.

Exports

Rogers currently ships a limited amount of sugar outside of Canada, all destined to the United States. Canada has a specific quota and access to a global quota for exporting refined sugar into the United States pursuant to a trade agreement announced in August 1997. The agreement provides Canada a 10,300 tonne specific quota for refined sugar. Rogers can also compete with other countries for an additional 7,000 tonnes of the unallocated refined sugar global quota. The Canadian Government has determined that only refined sugar from raw products grown in Canada (beet sugar) can qualify for the specific and global refined sugar quotas. Since Rogers is the only processor that uses domestic raw sugar, the Company presently is the only Canadian sugar refiner able to participate in the quotas. See "Government Regulation and Policy" below.

The Company's export sales in fiscal 1998 are forecast to represent only 6% of total sugar revenues. Sales are made to a number of sugar manufacturing resellers at the higher United States refined sugar prices, thus generating higher margins for Rogers than from comparable Canadian industrial bulk refined sugar sales.

Costs

Overview

In Rogers' processing operations, the three major cost segments are: cost of raw materials, refining costs and distribution costs. The fundamental difference between the cost structures at the Taber and Vancouver facilities is accounted for by the different types of raw sugar used (beet and cane) and the production steps required for their processing.

Cost of Raw Materials — Raw Cane Sugar

Rogers purchases raw cane sugar for the Vancouver facility based upon the New York Sugar Market price, plus ocean freight.

A refining margin is added to the raw sugar purchase price to set a base selling price for refined sugar. Daily sugar sales commitments are hedged by the Company against daily purchases made under its supply contract with the Company's sugar suppliers. See "Hedging" below.

Raw sugar prices are not a major determinant of profitability for cane refining operations. As both purchases and sales of sugar are related to the world price, profitability of Rogers' cane sugar operation is affected primarily by competitive conditions in the refined sugar marketplace. Generally, revenues increase or decrease with the movement of the New York Sugar Market but gross margins remain relatively stable. Liquid sugar is an exception because its price is primarily related to the price of HFCS and not raw sugar. Recently, some refiners have been paying premiums over the New York Sugar Market price for higher quality raw sugar and such premiums possibly could become more prevalent in the future. At present, the financial impact of these premiums is negligible.

There is currently no shortage of raw cane sugar in the international market and none is anticipated in the foreseeable future.

Cost of Raw Materials — Sugar Beets

For beet processing operations, raw sugar prices have an impact on profitability. A master agreement with the Growers' Association determines the growers' share of revenue and, consequently, the cost of raw material for the Taber operation. Rogers and the sugar beet growers are presently in the first year of a five-year agreement. The agreement includes a formula to set the sugar beet price based on the received selling price of refined sugar. This effectively results in the growers and Rogers sharing revenues from the sale of refined sugar from the Taber facility. This sharing arrangement provides the growers and Rogers with an effective risk sharing formula for fluctuations in the price of raw sugar which benefits both the growers and Rogers.

Refining Costs

There are three components to refining costs: processing, packaging and maintenance.

Processing costs are generally variable and consist mainly of labour, materials and energy costs. All production employees at the Vancouver facility are full-time unionized personnel, while at the Taber facility a large part of the processing employees are seasonal workers, used during the beet processing campaign. Processing materials consist mainly of agents used in the refining process. Energy costs are affected by the fluctuations in natural gas prices. In order to mitigate these fluctuations, Rogers enters into futures contracts with energy suppliers. Generally, energy costs are lower at the Taber facility than at the Vancouver refinery. At the Taber facility, processing costs also include beet receiving costs.

Packaging costs relate to all products except bulk and liquid sugars. Such costs consist mainly of labour and packaging materials. Packaging costs are greater in Vancouver because a broader range of speciality sugars are produced at the Vancouver refinery. Rogers benefits from paper supplier volume discounts because such purchases are made jointly with its affiliates, Lantic and RSI. Rogers will continue to benefit from these discounts through its Services Outsourcing Agreement with Lantic.

Maintenance costs are generally fixed. Preventive maintenance programs are in place to ensure maximum efficiency in the processing stage and to reduce costs related to mechanical breakdown.

Distribution Costs

As the only sugar producer in western Canada, Rogers has maintained a significant competitive advantage due, in part, to its lower distribution costs. In fiscal 1998, Rogers' average gross margin, adjusted for by-product contribution and delivery costs, is forecast to be approximately $156 per tonne. As can be seen from the following table, distribution costs from other sugar-producing locations to major western Canadian markets represent a significant cost disadvantage to Rogers' competitors.

Distribution Costs Differential ($ per tonne) (1)

	Origin	
Destination	Toronto	Montreal
Vancouver	118	118
Edmonton	100	106
Calgary	100	106
Regina	91	98
Winnipeg	66	73

Note:

(1) The analysis is based on the most competitive transportation cost scenario for packaged sugar. All costs are FOB at the point of origin.

Other Costs

Other costs at each of the facilities include warehousing, insurance and property taxes.

Hedging

Rogers purchases raw cane sugar in U.S. dollars and sells most of its refined sugar in Canadian dollars. The Company enters into futures contracts on regulated futures markets for the purpose of hedging U.S. dollar exchange rate exposure. Daily sugar sales commitments are hedged by the Company against daily purchases made under its supply contract with the Company's raw sugar suppliers.

Human Resources

As at August 31, 1997, Rogers had 224 permanent employees at the Vancouver sugar refinery, 154 of which are represented by the Retail Wholesale Union whose collective agreement with Rogers expires February 28, 1999. At the Taber beet processing facility, 69 of the 106 permanent employees are represented by the United Food and Commercial Workers Union whose collective agreement with Rogers expires March 31, 1999. In addition, the Taber beet processing facility hires approximately 210 seasonal employees for the beet processing campaign. There have been no work stoppages at either the Vancouver or Taber facilities in the last 20 years.

Capital Expenditures

Rogers' capital expenditures are comprised of maintenance and expansion requirements. Maintenance capital expenditures are additions or replacements to fixed assets required to maintain the facilities at current operating levels. Expansion capital expenditures are investments which either increase production capacity or improve productivity.

Over the past five fiscal years, Rogers has spent an average of $1.8 million on capital expenditures to maintain the production capacity of the Vancouver and Taber facilities. Specifically, capital expenditures on these facilities were $1.0 for the three quarters ended June 30, 1997, $2.8 million in fiscal 1996, $2.2 million in fiscal 1995, $0.9 million in fiscal 1994, $0.9 million in fiscal 1993 and $2.3 million in fiscal 1992.

Capital expenditures previously planned by Rogers include the addition of water-cooling towers in Vancouver and Taber, and a water treatment facility in Taber. The costs associated with these projects are approximately $1.0 million, $0.8 million and $3.2 million, respectively. Availability for these projects has been reserved under a term debt facility committed by a major Canadian chartered bank and is not included in the estimated capital expenditures of approximately $2.0 million per annum required to maintain production capacity.

Rogers is currently undertaking the expansion of the Taber beet processing facility, a $39.9 million expansion capital expenditure program which will increase the production capacity of the facility by 50%. Included in the $39.9 million estimate is a $2.0 million cost over-run provision. Lantic, as project manager, will pay any additional cost over-runs up to $2.5 million. Rogers has spent $2.3 million on this project to date. The remaining $37.6 million will be funded from the committed debt facility and will be spent over the next 24 months. See “Share and Loan Capital of Rogers — Credit Facilities”. The project is expected to contribute to operating earnings starting in fiscal 1999 with the full annual impact of the project expected in fiscal 2000.

In addition to the borrowings discussed above, Rogers will have the discretion to borrow (including obligations under capital leases) up to $5.0 million for expansion capital expenditures. Any borrowings required above this amount will require the unanimous approval of Rogers' board of directors.

Competition

Rogers is one of three sugar producers in Canada. The other two, Redpath and Lantic, compete primarily in eastern Canada. Redpath is the Canadian sugar subsidiary of Tate & Lyle PLC. Lantic is affiliated with Rogers. Rogers' competitors can include, periodically, small regional distributors which source their refined sugar from either domestic or foreign suppliers. These small distributors will enter and exit the market as dictated by the competitive environment.

Canadian Sugar Refineries

Company	Location	Type of Facility	Capacity	Primary Market
			(tonnes)	
Lantic	Montreal	Cane	215,000	Eastern Canada
	Saint John	Cane	250,000	Eastern Canada
Redpath	Toronto	Cane	500,000(1)	Eastern Canada
Rogers	Taber	Beet	95,000(2)	Western Canada
	Vancouver	Cane	160,000	Western Canada

Notes:

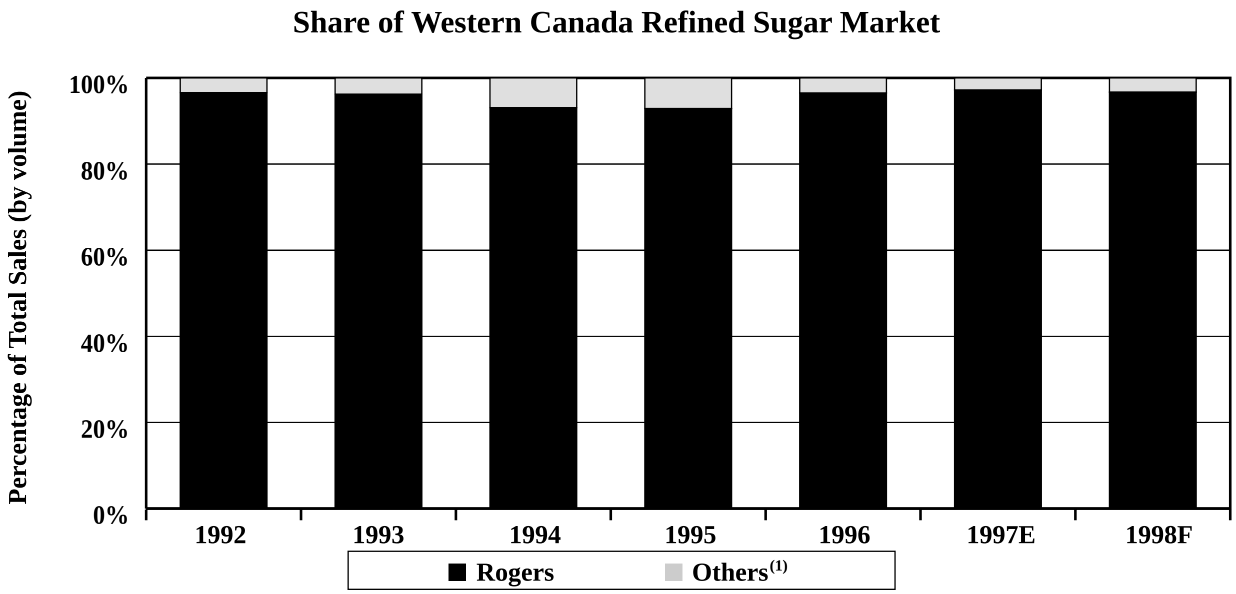
(1) Rogers' estimate.

(2) The Taber refinery is currently undergoing an expansion to 145,000 tonnes which is expected to be complete by October 1999.

A sugar processor's competitiveness is dependent on the following factors: (i) proximity to either a reliable sugar beet supply or to an accessible port facility; (ii) proximity to refined sugar customers; (iii) low-cost refining facilities; and (iv) cost-effective distribution channels. Management believes that it is unlikely that a new sugar processing facility will be constructed in western Canada due to the high capital cost of construction and given Rogers' current reserve capacity.

Imports of refined sugar into Canada are insignificant. The imposition of anti-dumping and countervailing duties on refined sugar imports from the United States and the European Union countries significantly reduced those imports from the 1995 peak of 150,000 tonnes. Even at their peak, imports represented less than 7% of the western Canadian refined sugar market. They currently represent less than 1%.

Rogers has over a 90% share of the western Canadian refined sugar market. The following chart illustrates Rogers' share over the last five fiscal years.



Source: Rogers.

Note:

(1) Others represents shipments made by Rogers' domestic competitors and imports.

HFCS remains a viable substitute to certain liquid sugar users, such as soft drink manufacturers. It is expected that HFCS will represent 25% of the western Canadian nutritive sweetener market in fiscal 1998 compared to Rogers' 72% share. Management believes that it is unlikely HFCS will further penetrate the western Canadian market.

Government Regulation and Policy

Canada

The *Special Import Measures Act* (Canada) permits the Canadian government to impose anti-dumping and countervailing duties to protect the domestic industry from injury caused by unfair trading practices of other countries. In July 1995, Revenue Canada made a preliminary determination that there was dumping of refined sugar from the United States, Denmark, Germany, the United Kingdom, the Netherlands and the Republic of Korea, and that subsidized refined sugar was being imported into Canada from the United States and European Union countries.

Duties were consequently imposed on any further imports of refined sugar from the United States and European Union countries. Accordingly, virtually no dumped or subsidized refined sugar entered Canada after July 7, 1995. The Canadian International Trade Tribunal reviewed the case and ruled that: (i) sugar was being dumped from the United States, Denmark, Germany, the United Kingdom and the Netherlands; (ii) sugar was being subsidized from the European Union; and (iii) the actions were threatening material injury to the Canadian sugar industry. The ruling resulted in the imposition of duties by Revenue Canada. Though there have been a number of challenges to the decisions of Revenue Canada and the Trade Tribunal, existing tariffs are expected to remain in place until at least the latter part of the year 2000.

United States

Legislation in the United States has encouraged sugar beet growers to increase acreage, which has resulted in higher domestic sugar beet production. In addition, a domestic support price program in the United States maintains the price of raw sugar significantly above the current world market price. A significant decrease in the support price program could cause some growers to switch to alternative crops, resulting in lower sugar beet production and higher selling prices of refined sugar. Similarly, an increase in the quota for the importation of raw sugar from participating countries would keep the value of market sugar low and permit cane sugar refiners to better compete against lower beet sugar prices.

The United States also restricts imports of refined sugar and sugar-containing products. Prior to 1995, there had been no specific refined sugar import quota for Canada, and Rogers shipped up to 40,000 tonnes of refined sugar into the United States.

In October 1995, the United States instituted a 22,000 tonne global quota for refined sugar imports. Also in 1995, the United States implemented further restrictions by placing virtually all sugar-containing products into a 64,000 tonne global quota for imports. Despite protests by the Canadian sugar processors and growers, the United States Government ruled that any Canadian shipments would be allocated to such global quota.

Of the above global quotas, Canada was awarded a specific quota of 10,300 tonnes and can compete with other countries for an additional 7,000 tonnes of the unallocated global quota for refined sugar. The refined sugar quota has been designated by the Canadian Government to be supplied only by domestically grown sugar (beet sugar), which benefits only Rogers. Canada also received a 59,500 tonne quota for sugar-containing products in August 1997. Most of this sugar-containing products quota has been allocated to specific Canadian manufacturers, most of whom are located in eastern Canada and who source their sugar from eastern Canadian sugar refiners.

Environment

Rogers

The Company's operations are subject to environmental regulation imposed by federal, provincial and municipal governments in Canada. These regulations have become progressively more stringent and the Company anticipates that trend continuing. The Company's policy is to meet or exceed all applicable requirements with respect to environmental matters. Except for the use of larger volumes of cooling water than is permitted at the Company's Vancouver refinery, management believes that the Company is in compliance in all material respects with environmental regulatory requirements. Within the past two years, the Company has reported accidental discharges from the Vancouver facility. The Company has taken steps directed at preventing further such discharges and does not anticipate that any penalties imposed with respect to the reported incidents will be material.

The resolution of the cooling water issue at the Vancouver facility is expected to require an investment of up to $1 million by 1999. The Company also anticipates the need to construct a wastewater treatment plant and a cooling tower at its Taber facility by 1999 at costs of approximately $4 million. This will enable Rogers to satisfy the requirements of its provincial environmental licence and to deal with the increased volumes of wastewater which will result from the expansion of the Taber facility's processing capacity. See "Capital Expenditures". Anticipated expenditures by the Company on environmental compliance are not expected to have a material impact on the Company's earnings or competitive position.

Discontinued Operations

Rogers, through its subsidiary, Chatterton Petrochemical Corporation ("Chatterton"), and its former subsidiary, Kalama Chemical, Inc. ("Kalama"), previously carried on the production and sale of specialty chemicals in Canada and the United States. Rogers has the benefit of the environmental indemnity described below (see "Environmental Indemnity" below) which it believes relieves it of any significant risk of material loss or expense as a result of environmental issues relating to Kalama and Chatterton.

Chatterton ceased operations in June 1992. The Company is cooperating with regulatory authorities to investigate and remediate historical soil and ground water contamination at the Delta, British Columbia site of Chatterton's former operations. The Company anticipates receiving regulatory approval in the near future to implement a remediation plan. Dow Chemical Canada Inc. ("Dow"), which formerly owned and operated the site, has participated in developing the remediation plan and has shared equally in paying the costs of investigating the site and preparing the remediation plan. Based upon contractual provisions and applicable law, the Company believes Dow will bear a significant portion of the cost of the remediation program, currently expected to aggregate in excess of $6 million and up to $13 million.

The United States portion of the Rogers investment in specialty chemicals was disposed of in May 1994 with the sale of Kalama to Freedom Chemical Company ("Freedom"). As a condition of the Kalama sale, the Company contractually retained certain environmental obligations, including obligations relating to environmental investigations and clean up activities at the Kalama plant located in Kalama, Washington and two former Kalama manufacturing plants located in Beaufort, South Carolina and Garfield, New Jersey, several Superfund[1] sites in the United States and certain sites formerly owned or leased by Kalama or its subsidiaries. The retained obligations are subject to a contractual cap which, as at August 31, 1997, had been reduced by expenditures previously made to U.S. $36.8 million. The Company is responsible for remediation costs at each of the Kalama, Beaufort, and Garfield sites until the capital components of the government approved remediation plans for such site are installed and have commenced operating (the "Commencement Date") and for all capital expenditures in the next three years if such capital expenditures are ordered. The Company also pays 50% of the operating and maintenance costs at each of the three sites during the five years after the Commencement Date. The Company's obligations with respect to the Superfund sites terminate three years after the last Commencement Date at each of the three Kalama sites and in any event cease on May 26, 2004.

The Company's remediation plan for the Beaufort site has been approved by environmental regulators and the central element of that plan, a groundwater extraction system, has recently commenced operation. 80% of the costs of completing the investigation and remediation of the Garfield site are to be paid under a settlement agreement entered into by the former owner and operator of the site with Kalama. Installation of the capital equipment required by the government approved plan for that site is underway and the Commencement Date is expected to occur in mid-1999. At the Kalama site, the installation of interim corrective measures required for containment and treatment of contamination at the facility is expected to be completed in September 1997. Rogers anticipates that the Commencement Date at the Kalama site will occur in mid-1999 but no assurance can be given that such date will be achieved. The four principal Superfund sites for which the Company has obligations under the Kalama sale agreement are in various stages of the liability determination and allocation process.

Based upon the Company's current understanding, it anticipates that the expenditures which will be required to be paid by the Kalama Trust referred to below and Rogers with respect to the Kalama, Beaufort and Garfield sites will be in excess of U.S. $2.4 million and up to U.S. $4.5 million (or significantly more in certain unlikely "worst case" scenarios), substantially all of which will be expended during the next five years. As well, based upon the Company's current understanding, the Company estimates that its expenditures at the four principal Superfund sites will exceed U.S.$1 million and could reach U.S. $2.5 million (or significantly more in certain unlikely "worst case" scenarios). Kalama has been identified as a potentially responsible person with respect to a number of other Superfund or similar sites but the Company does not currently anticipate any material expenditures in connection with those sites, nor does it anticipate any material expenditures with respect to the other properties formerly owned or leased by Kalama or its subsidiaries. Rogers anticipates spending U.S. $2 million to U.S. $4 million in legal and consultants' fees relating to environmental issues related to Kalama.

The obligations of the Company with respect to Kalama referred to above are generally required to be paid by a trust (the "Kalama Trust") established at the time of the sale in 1994, to the extent of its funds before the Company's obligations to pay are triggered. Under the terms of the Kalama Trust, Kalama is required to pay any recoveries received from former owners, insurance carriers or other third parties relating to those obligations into the Kalama Trust. As at August 31, 1997, the Kalama Trust held cash of U.S. $3.8 million and a receivable from Freedom of U.S. $1.1 million. The Company has reviewed the estimated environmental expenditure obligations for the fiscal years ending September 30, 1998 and September 30, 1999 and expects there will be sufficient funds in the Kalama Trust to meet these obligations. Thereafter the Company anticipates that it may be obligated to contribute cash to cover its share of the expenses.

Other Matters

The Company recently discontinued operations at its Winnipeg sugar beet facility (the "Winnipeg facility"); production operations were earlier terminated at two facilities in Alberta. The possibility of contaminants being present on those discontinued sites as well as on certain of the sites where production and related operations continue in British Columbia and Alberta has been identified, including a significant quantity of lime mud from the former sugar beet operations remains on the Winnipeg facility property. The Company does not anticipate any material expenditures being required in connection with the presence of the lime mud or contaminants at any of its current or former operating sites but no assurance can be given that such expenditures will not be required.

---

1 "Superfund sites" are sites for which investigations and/or remediation activities are or may be required under the *Comprehensive Environmental Response, Compensation and Liability Act.*

Environmental Indemnity

OMI Lantic Holdings and BAI Lantic Holdings (collectively, "Lantic Holdings"), which own 75% and 25% respectively, of the outstanding shares of Lantic Investments, and Lantic Realco, which will own the Excluded Assets at the closing of the Offering, will enter into an agreement at the time of the closing of the offering providing a joint and several indemnity (the "Environmental Indemnity") in favour of Rogers (a) against any material and adverse effects to Rogers as a result of any material non-compliance with environmental laws in respect of the continuing operations of Rogers at the Vancouver refinery, the Taber refinery and the other properties in Alberta used in Rogers' operations occurring prior to the closing of the offering and (b) against any claim imposing liability under environmental law resulting from the presence, discharge, release or threatened release of any hazardous substance ("Environmental Claims") at any of the Kalama Properties, the Chatterton Properties or the Excluded Assets, or any claims relating to environmental matters arising under the Kalama sale agreement. In connection with the provision of this indemnity, Lantic Holdings has delivered to Rogers an irrevocable letter of credit drawn on a Canadian chartered bank in the amount of $9.4 million which Rogers may draw upon to fund payments required for remediation of the Kalama Properties or for remediation of the Chatterton Properties. Lantic Holdings and Lantic Realco have agreed during the term of the indemnification agreement that: (i) Lantic Holdings will not reduce its interest in the shares of Lantic Investments (or, indirectly, Lantic) and Lantic Realco will not dispose of any of its assets, (ii) they will not incur any new debt other than debt not in excess of $5 million in aggregate and normal debt for working capital purposes and (iii) they will not grant any security interest over any of their assets to secure debt unless the obligations under the indemnity are equally and ratably secured. If Lantic Holdings delivers confirmation that an excess liability policy of insurance has been written and delivered, naming Rogers as a loss payee, and insuring Rogers against all amounts (not to exceed $50 million) which Rogers may be required to pay as a result of environmental claims with respect to the Kalama Properties and the Chatterton Properties in excess of $5.3 million plus the amount of the letter of credit described above remaining undrawn at that time, then Lantic Holdings will be released from all of its obligations under the Environmental Indemnity and Lantic Realco will be released from its covenants in the Environmental Indemnity not to dispose of assets, incur debt or grant security over its assets, except the Winnipeg facility property, which may only be disposed of by Lantic Realco if all required environmental remediation at the site has been completed or with the unanimous consent of the directors of Rogers.

Freedom has commenced a lawsuit against Rogers claiming U.S. $248,000 in connection with asbestos alleged to have been present at the Kalama facility at the time of the sale. Rogers is defending the lawsuit but no assurance can be given as to its outcome. Freedom has also notified Rogers that it considers Rogers liable for an amount of U.S. $457,000 with respect to a fine of approximately U.S. $2.0 million imposed on Kalama under the *Clean Air Act*. The Company has not accepted the claim which relates to events both before and after the time of the sale. No assurance can be given as to the outcome of this claim. Losses resulting from these claims will be covered by the Environmental Indemnity.

Assuming that the portion of the Chatterton remediation expenses funded by Dow is 75%, that the cost of the Chatterton remediation is $6 million, that the Kalama Superfund site remediation costs to be borne by Rogers and the Kalama Trust are U.S. $1 million, that the costs of the Kalama former and current operating sites to be borne by Rogers and the Kalama Trust are U.S. $2.4 million, that the Kalama Trust has $4.9 million to cover all expenditures with respect to the Kalama Superfund and former and current operating sites (i.e. U.S. $3.4 million) with the remainder available to cover Chatterton related expenses and that there are no other environmental costs to be covered by the Environmental Indemnity, no amount would be payable under the Environmental Indemnity. However, assuming that the portion of the Chatterton remediation expenses funded by Dow is 50%, that the cost of the Chatterton remediation is $10 million, that the Kalama Superfund site remediation costs to be borne by Rogers and the Kalama Trust are U.S.$2.5 million, that the costs of the Kalama operating sites to be borne by Rogers and the Kalama Trust are U.S.$4.5 million, that the Kalama Trust expends U.S.$3.8 with respect to the Kalama Superfund sites and former and current operating sites and that there are no other environmental costs to be covered by the Environmental Indemnity (for example, in dealing with the former Winnipeg sugar beet operation property), the amount payable under the Environmental Indemnity would be approximately $9.5 million. In a "worst case" scenario, the amount payable under the Environmental Indemnity would be substantially more. The amounts payable under the Environmental Indemnity could be covered first by drawing down the $9.4 million letter of credit but thereafter Lantic Holdings and Lantic Realco would be required to cover any additional amounts out of their assets, including the Winnipeg facility property and the Chatterton Properties.

SHARE AND LOAN CAPITAL OF ROGERS

The authorized share capital of Rogers consists of an unlimited number of Common Shares, an unlimited number of Class A Shares and Class B Shares and one Class C Share. As at the closing of this offering, and after giving effect to the Reorganization, ● Common Shares will be issued and owned by the Fund and ● Class A Shares will be issued and held by OMI LP, ● Class B Shares will be issued and held by BAI and one Class C Share will be issued and held by Lantic Capital.

Common Shares

Each Common Share entitles its holder to receive notice of and to attend all meetings of shareholders of Rogers and to one vote at such meetings. The holders of Common Shares will, at the discretion of the board of directors of Rogers and subject to applicable legal restrictions, be entitled to receive out of any or all profits or surplus of Rogers properly available for the payment of dividends any dividends declared by the board of directors on the Common Shares and payable by Rogers on the Common Shares. In the event of the liquidation, dissolution or winding-up of Rogers or other distribution of its assets among its shareholders, holders of the Common Shares are entitled to receive, after payment of all of the liabilities of Rogers and subject to the prior rights of the holders of the Class A Shares, the Class B Shares and the Class C Share, all of the assets of Rogers. At the closing of this offering, all of the Common Shares will be held by the Fund.

Special Shares

The holders of Class A Shares are not entitled to vote at any meetings of shareholders of Rogers, except as may be required by law. Each Class A and Class B Share will be redeemable by Rogers and retractable by the holder at a fixed redemption amount of $ ● per share or $ ● in the aggregate. The holders of the Class A and Class B Shares are not entitled to any dividends of Rogers. Following the Reorganization and the return of capital on the Class A Shares and the Class B Shares as described under "Rogers Sugar Income Fund — Acquisition and Reorganization of Rogers", the aggregate redemption amount of the Class A Shares and the Class B Shares will be equal to the aggregate principal amount of the OMI Que Note and the BAI Note held by Rogers. The Class A Shares and the Class B Shares may be redeemed by Rogers and may be retracted by OMI Que and BAI in cash or, at Rogers' option, by delivery of the OMI Que Note and the BAI Note.

The holders of the Class B Shares are entitled to vote, on a *pro rata* basis to the number of Class B Shares held, in all circumstances such that the total votes attaching to the Class B Shares shall be equal to 10.01% of the aggregate votes of all classes of shares entitled to vote at a meeting of shareholders of Rogers. Under the terms of a voting trust agreement between BAI and the Fund, the Fund will be entitled to vote the Class B Shares so long as they remain outstanding.

The Class C Share will be redeemable by Rogers for $1 upon the termination of the Governance Agreement. The Class C Share will entitle the holder to elect three of the five directors of Rogers but will have no other voting rights at any meetings of shareholders of Rogers, except as may be required by law.

In the event of the liquidation, dissolution or winding-up of Rogers or other distribution of its assets among its shareholders, holders of the Class A Shares, Class B Shares and the Class C Share are entitled to receive the applicable redemption amount, without preference or distinction, for their respective shares in priority to the rights of the holders of the Common Shares.

Distribution Policy

The distribution policy of Rogers will be to distribute all of its available cash after satisfaction of its bank financing and other debt service obligations, if any, satisfaction of its interest, including interest on the Notes, and other expense obligations and any principal repayments in respect of the Notes considered advisable by the board of directors of Rogers and subject to Rogers retaining such reasonable working capital reserves as may be considered appropriate by the board of directors of Rogers, subject to applicable law, by way of dividends or quarterly return of capital on the Common Shares outstanding from time to time. For this purpose, "available cash" of Rogers does not include any proceeds received by Rogers from the repayment of the OMI Que Note or the BAI Note which, subject to applicable law, Rogers intends to use to fund the redemption by Rogers of the Class A Shares and Class B Shares.

Rogers will not distribute cash to the Fund in anticipation of the next Quarterly Payment Date that would result in a cash distribution per Trust Unit on the next Quarterly Payment Date in excess of $ ● per Trust Unit unless Onex has provided not less than 90 days' advance notice of such payment to the Debentureholders to permit them to exercise the Exchange Right, acquire Trust Units and receive the excess distribution from the Fund. Rogers does not intend to distribute cash by way of return of capital while any Debentures are outstanding. At closing, the Selling Debentureholder will own ● % of the outstanding Trust Units and BAI will own ● % of the outstanding Trust Units. The remaining ● % of the Trust Units will be held by employees of Rogers and Lantic and certain seed capital investors.

The principal source of funds to the Fund will be payments from Rogers made in respect of the Notes and Common Shares held by the Fund. Distributions on Common Shares are to be paid to shareholders of record on the last business day of each calendar quarter and will be made on or about the fifteenth day of January, April, July and October in each year.

Under the CBCA, Rogers cannot declare or pay a dividend or reduce its stated capital if there are reasonable grounds for believing, at the time of the declaration or payment, that: (i) Rogers is, or would after taking such action be, unable to pay its liabilities as they become due; or (ii) the realizable value of Rogers' assets would thereby be less than the aggregate of its liabilities and, in the case of the declaration or payment of a dividend, the stated capital of all classes of shares of Rogers. See "Details of the Offering", "Description of the Fund — Cash Distributions" and "Risk Factors".

Credit Facilities

Through Onex, Rogers has negotiated with a Canadian chartered bank (the "Bank") a $150 million credit facility (the "Credit Facility") comprised of a $50 million revolving loan facility (the "Revolving Loan Facility"), a $43 million non-revolving term loan facility (the "Taber Loan Facility") to assist in the Taber expansion and other previously planned capital expenditures and a $57 million non-revolving term loan facility (the "Non-Revolving Loan Facility) to provide the balance of the funds required to refinance the debt of Rogers and the current shareholders of BCS and to pay all transaction fees and expenses. The Revolving Loan Facility will mature on the third anniversary of the credit agreement, subject to successive annual extensions of one year in the discretion of the lenders and at the request of Rogers. The two non-revolving loan facilities will mature on the fifth anniversary of the credit agreement, subject to extension if requested by Rogers after the third anniversary and consented to by the lenders. If the lenders decline to extend any of the loan facilities, no other extensions of the facilities shall be made.

Revolving Loan Facility

The Revolving Loan Facility provides for maximum borrowings of the lesser of (i) $50 million and (ii) a specified value of all eligible accounts receivable and a specified value or cost of eligible raw cane sugar, raw sugar beets and eligible finished inventory, provided, at least once in each fiscal year of Rogers, the amount of credit outstanding under the Revolving Loan Facility shall not exceed $5 million for 30 consecutive days. Amounts repaid under the Revolving Loan Facility may be borrowed, repaid and reborrowed up to the amount of credit available from time to time thereunder.

Term Loan Facilities

The Taber Loan Facility will be made available to Rogers to finance the expansion of the Taber plant and other previously planned capital expenditures. The Taber Loan Facility will amortize quarterly commencing on the fourth anniversary of the initial drawdown.

The Non-Revolving Loan Facility will be made available to Rogers in a single borrowing. The Non-Revolving Loan Facility will amortize quarterly commencing on the fourth anniversary of the initial drawdown.

Both the Taber Loan Facility and the Non-Revolving Loan Facility may be prepaid without penalty by Rogers. Any such prepayments of the Taber Loan Facility or the Non-Revolving Loan Facility may not be reborrowed.

The Revolving Loan Facility, the Non-Revolving Loan Facility and the Taber Loan Facility are subject to mandatory prepayments out of "distributable cash flow" if (i) an event of default (other than bankruptcy or insolvency) occurs and continues for one year, (ii) such event of default is cured and a subsequent event of default occurs within such one year period or (iii) for 24 consecutive months, some portion of the accrued interest on the Notes is not paid. The amount of such mandatory prepayments will be applied quarterly to permanently prepay, firstly, the Non-Revolving Loan Facility, secondly, the Taber Loan Facility and thirdly, the Revolving Loan Facility, until repayment in full has occurred. No interest or principal on the Notes or dividends on the Common Shares shall be payable during such time. Distributable cash flow will be defined in the credit agreement as EBITDA less the sum of interest expense on the Credit Facility, maintenance capital expenditures of Rogers, capital taxes paid by Rogers, working capital investment of Rogers, management fees to Lantic and scheduled principal payments of the Credit Facility, computed quarterly on a revolving four quarter basis.

Rates

The Credit Facility will bear interest at the Bank's Canadian prime rate plus a margin based on the financial performance of Rogers calculated in accordance with the credit agreement. The credit agreement will require the payment of a standby fee at the rate calculated under the credit agreement based on the financial performance of Rogers. The credit agreement will also provide for stamping fees to be payable upon the issuance of any bankers' acceptance calculated on the face amount of the bankers' acceptance at a rate per annum determined in accordance with the credit agreement based on the performance of Rogers.

Covenants

The credit agreement will contain restrictive covenants that, among other things and with certain exceptions, limit the ability of: (i) Rogers to incur additional debt (ii) Rogers to amend the Management Agreement or to pay management or consulting fees (other than the payment of management fees pursuant to the Management Agreement, (iii) if an event of default is outstanding, Rogers to pay (a) dividends on the Common Shares or (b) interest or principal on the Notes, (iv) Rogers to pay dividends if (a) for 24 consecutive months some portion of the accrued interest on the Notes is not paid, or (b) a specified ratio of EBITDA plus payments out of the $16 million cash pool to total interest (being actual interest on the Credit Facility and scheduled interest on the Notes) plus maintenance capital expenditures in such quarter is not met, (v) Rogers to pay interest on the Notes, if for 24 consecutive months some portion of accrued interest on the Notes is not paid, (vi) Rogers to make principal payments on the Notes at any time prior to repayment of the Credit Facility in its entirety, (vii) Rogers to sell assets or make similar transfers (other than the disposition of inventory or obsolete equipment in the ordinary course of business), (viii) Rogers to make loans, investments or acquisitions (in a single transaction or in a series of related transactions), (ix) Rogers to merge, consolidate or undergo a similar combination or effect a change in business conduct, (x) Rogers to repurchase capital stock or defease, repurchase or prepay subordinated debt, (xi) Lantic to change more than one-half its directors or senior officers, and (xii) Rogers to vary the ratio of the Notes to Common Shares after the time of the first drawdown.

The credit agreement will also require that Rogers satisfy certain financial covenants and tests including maintenance of a maximum ratio of total debt (excluding the Notes) to EBITDA on a rolling four-quarter basis, maintenance of a minimum ratio of EBITDA to interest expense (being actual interest expense on the Credit Facilities and scheduled interest on the Notes) on a rolling four-quarter basis and an annual limitation for capital expenditures of $5 million.

Security

The Credit Facility will be secured by a first priority perfected security interest in all of the undertaking, property and assets of Rogers (other than the $16 million cash pool, together with interest earned thereon, referred to under "Details of the Offering — Debentures — Cash Pool"). The security will also secure, on a *pari passu* basis, obligations of Rogers to the Bank and other lenders under interest rate swap agreements and foreign exchange contracts.

Events of Default

The events of default are to be customary for this type of transaction, and will include a change of control of Rogers, other than pursuant to an exchange of the Debentures for Trust Units pursuant to the Exchange Right, and default in the payment when due or acceleration of debt with a principal amount in excess of $5 million.

Notes of Rogers

General

The following is a summary of the material attributes and characteristics of the Notes and is qualified in its entirety by reference to the provisions of the Note Indenture which contains a complete statement of such attributes and characteristics.

The Notes will be issued under the Note Indenture to be dated as of the date of closing of this offering and made between Rogers and the Note Trustee (as defined in the Note Indenture). The Notes are issuable only as fully registered notes in denominations of $10 and integral multiples thereof.

The Notes authorized will be unlimited and will mature on ● , 2027, subject to prepayment from time to time as considered advisable by the board of directors of Rogers and subject to extension for an additional 10-year term with the consent of the holders of Notes by Extraordinary Resolution. The Notes will bear interest at the rate of ● % per annum, to be paid quarterly to holders of record on the last day of each calendar quarter and will be paid on or about the fifteenth day of January, April, July and October in each year. The first interest payment on the Notes will be payable on January 15, 1998. The interest on Notes will be payable in lawful money of Canada at any branch in Canada of the bank to be specified in the Note Indenture. The Company may defer the payment of interest on the Notes for up to 18 months to the extent that its EBITDA, less any interest and principal paid on the Credit Facility, are inadequate to pay the interest on the Notes.

Payment upon Maturity

On maturity, Rogers will repay the indebtedness evidenced by the Notes by paying to the Note Trustee, in lawful money of Canada, an amount equal to the principal amount outstanding of such Notes, together with accrued and unpaid interest thereon.

Redemption

On or about ● , and from time to time thereafter, the board of directors of Rogers and, if the Fund holds, directly or indirectly, at least 25% of the aggregate principal amount of outstanding Notes, the Trustees, shall jointly review Rogers' facilities and operations, the economic conditions relating to the sugar industry and the business prospects of Rogers. If this review, in the opinion of either the board of directors of Rogers or the Trustees, indicates that it is unlikely that the indebtedness of Rogers evidenced by the Notes could be refinanced on the same terms and conditions upon maturity of the Notes, then Rogers shall commence principal repayments on the Notes such that the Notes are fully repaid on or before the Maturity Date or reduced to the level which the board of directors of Rogers and the Trustees are of the opinion could be so refinanced. In that event, the available cash of Rogers will be utilized to the extent required to fund such repayments in lieu of returns of capital on Common Shares or dividends on or other distributions in respect of Common Shares. Except as aforesaid, the Notes will not be redeemable at the option of Rogers or by the holders thereof prior to maturity.

Ranking

The Notes will be unsecured debt obligations of Rogers and will be subordinate in right of payment to other direct unsecured indebtedness of Rogers and all secured debt of Rogers, including the Credit Facility.

Default

The Note Indenture provides that any of the following shall constitute an Event of Default (as defined in the Note Indenture): (i) default in payment of the principal of the Notes when the same becomes due; (ii) the failure to pay the interest obligations of the Notes when the same becomes due, subject to Rogers' ability in certain circumstances to defer payment of interest on the Notes for up to 18 months; (iii) material default on any indebtedness for borrowed money exceeding $10 million; (iv) certain events of winding-up, liquidation, bankruptcy, insolvency, receivership, general assignment for the benefit of creditors, or proceedings with respect to a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada); (v) the taking of possession by an encumbrancer of all or substantially all of the property of Rogers; (vi) ceasing to carry on in the ordinary course the business of Rogers; (vii) default in performing any material lease, licence or other agreement whereby any material property or rights of Rogers may be forfeited or terminated; or (viii) default in the observance or performance of any other material covenant or condition of the Note Indenture and the continuance of such default for a period of

30 days after notice in writing has been given by the Note Trustee to Rogers specifying such default and requiring Rogers to rectify the same. The Note Indenture provides, as a condition of the Credit Facility, that no acceleration of the Notes as a result of an Event of Default may occur for a period of five years from the occurrence of the Event of Default.

The Note Indenture also provides that the Note Trustee shall not take any steps or actions with respect to an Event of Default without the prior consent of the Fund provided the Fund holds, directly or indirectly, at least 25% of the aggregate principal amount of the outstanding Notes. Certain other provisions under the Note Indenture require the prior consent or authorization of the Fund if the Fund holds, directly or indirectly, at least 25% of the aggregate principal amount of the outstanding Notes.

Limitations on Issuance of Shares and Debt

Rogers' articles will provide that Rogers will not be permitted to issue any shares without the approval of the Fund as the holder of the Common Shares. The Company's articles will also contain restrictions on further borrowings. The size of the Revolving Loan Facility, the Taber Loan Facility and the Non-Revolving Loan Facility may not be increased above $50 million, $43 million and $57 million, respectively, without the unanimous consent of the board of directors of Rogers.

MANAGEMENT OF ROGERS

Directors of Rogers

The board of directors of Rogers will be comprised of five members, three of whom will be appointees of Lantic Capital, as the holder of the Class C Share and the other two will indirectly be appointees of the Unitholders. The names and municipalities of residence of each of the directors and officers of Rogers after the Reorganization and their position with Rogers and principal occupations will be as follows:

Name and Municipality of Residence	Position with Rogers	Principal Occupation
A. Stuart Belkin Vancouver, British Columbia	Director	President and Chief Executive Officer, Balaclava Enterprises Ltd.
Mark L. Hilson Etobicoke, Ontario	Director	Vice President, Onex
James S.A. MacDonald (1) Toronto, Ontario	Director	Managing Director, Enterprise Capital Management Inc.
Seth M. Mersky Oakville, Ontario	Director	Vice President, Onex
M. Dallas H. Ross (1) Vancouver, British Columbia	Director	Managing Director, Investment Banking, ScotiaMcLeod Inc.

Each of the foregoing persons has held the same principal occupation for the previous five years except for Mr. Mersky who prior to March 1997 was a Senior Vice President at a Canadian chartered bank and Mr. MacDonald who prior to April 1997 was Deputy Chairman at ScotiaMcLeod Inc.

Note:

(1) Appointee of the Unitholders.

Profiles of Non-Executive Directors of Rogers

A. Stuart Belkin is the President and Chief Executive Officer of Balaclava Enterprises Ltd. and in that position has been responsible for the development of its business over the past ten years. He has been a director of BC Sugar since 1995. Mr. Belkin is also the Chairman of Mohawk Canada Limited and has served as a director of TimberWest Forest Limited and Tembec Inc.

Mark L. Hilson is a Vice President of Onex. Prior to joining Onex in 1988, Mr. Hilson was an Associate in the Mergers & Acquisitions Group at Merrill Lynch Canada Inc. Mr. Hilson is also a director of Celestica, Inc., Vencap, Inc. and Vincor International Inc. Mr. Hilson received an Honours Bachelor of Business Administration (Gold Medalist) from Sir Wilfrid Laurier University and an MBA (George F. Baker Scholar) from the Harvard Graduate School of Business Administration.

James S.A. MacDonald is the Managing Director of Enterprise Capital Management Inc. Prior to March 1997 Mr. MacDonald was Deputy Chairman and Director of ScotiaMcLeod Inc.

Seth M. Mersky is a Vice President of Onex. Prior to joining Onex in 1997, Mr. Mersky was a Senior Vice President of a Canadian chartered bank. Mr. Mersky received a Bachelor of Science from the University of Delaware.

M. Dallas H. Ross is a Managing Director, Investment Banking of ScotiaMcLeod Inc., a director of Westshore Terminals Ltd. and a trustee of Westshore Terminals Income Fund.

Governance Agreement

The articles of Rogers provide that the number of directors is fixed at five. The Governance Agreement will remain in force for so long as the Management Agreement and the Services Outsourcing Agreement remain in force, and will provide that the Fund will not vote for any amendment to Rogers' articles or by-laws, including an amendment with respect to the number of directors, without Lantic Capital's approval.

Pursuant to the Governance Agreement, Lantic Capital, as holder of the Class C Share, will be entitled to elect three directors to Rogers' board of directors, with the Fund, as holder of the Common Shares, being entitled to elect two directors. Notwithstanding the foregoing, the Fund will be entitled to remove the directors of Rogers that were elected by Lantic Capital if:

- the board of Rogers does not comply with Rogers' distribution policy (see "Share and Loan Capital of Rogers — Distribution Policy");
- an offer is made for 100% of the Trust Units and the offeror acquires more than 50% of the Trust Units under that offer; or
- the Management Agreement or the Services Outsourcing Agreement expires or is terminated.

Management Agreement

Lantic and Rogers will enter into the Management Agreement, pursuant to which Rogers will retain Lantic to provide strategic management services (the "Strategic Management Services") for Rogers. The Strategic Management Services provided will include the following:

- preparing reports to the board of directors of Rogers with respect to strategic plans and developments for the business and affairs of Rogers;
- assisting in the negotiation of banking and financing arrangements for major acquisitions;
- providing strategic advice on matters pertaining to capital expenditures, major acquisitions and divestitures; and
- developing and implementing all special marketing strategies and initiatives for and on behalf of Rogers that Lantic considers necessary to maintain and enhance Rogers' competitive position in western Canada. To ensure that Lantic has the necessary financial resources to accomplish this goal, Lantic Investments will make available to Lantic no less than $10 million for not less than two years to support Lantic's marketing initiatives, including customer incentives and discounts, should market conditions so warrant.

Pursuant to the Management Agreement, Lantic will also provide to Rogers all required project management and oversight services (the "Taber Project Services") to ensure that the Taber expansion project is, subject to an event of *force majeure*, completed on or before October 1, 1999.

In exercising its powers and discharging its duties under the Management Agreement, Lantic is required to exercise the degree of care, diligence and skill that a reasonably prudent advisor or manager having responsibility for management of a similar business would exercise in comparable circumstances and with a standard of no lower than the degree of care, diligence and skill with which the business of Rogers has historically been managed. Lantic will be indemnified by Rogers for any damages it may suffer as manager provided it has not been negligent.

In consideration for providing the Strategic Management Services, Lantic will receive a base fee equal to $300,000 per annum. As an incentive to Lantic to enhance the profitability of Rogers and the cash distributions paid by the Fund to Unitholders, Lantic will be entitled to an annual incentive fee which will be based on the per Trust Unit *pro rata* share of cash available for distribution to Unitholders in respect of a fiscal year. The incentive fee will be payable within 15 days following approval by the board of directors of Rogers of its audited financial statements in respect of the previous fiscal year. The percentage of distributions per Trust Unit which will be payable as an incentive fee ranges from 15% if such cash is equal to or in excess of $ ● per Trust Unit, 25% if such cash is equal to or in excess of $ ● per Trust Unit up to a maximum of 35% if such cash is equal to or in excess of $ ● per Trust Unit. Prior to the closing of this offering, Lantic will receive a $2 million project fee for the Taber Project Services, which will be paid by Rogers. In the event that the total cost of the Taber expansion project exceeds $39.9 or is not completed by October 1, 1999, Lantic will pay to Rogers, as liquidated damages, the lesser of (i) $2.5 million and (ii) the excess costs over budget or the remaining costs to be incurred by Rogers to complete the Taber expansion project, as the case may be.

The Management Agreement will have an initial term of 15 years and will be renewed for successive periods of five years unless the directors of Rogers who are appointees of the Fund give notice of non-renewal at least 12 months before the end of the relevant term.

Rogers may terminate the Management Agreement (i) if a substantial deterioration of Rogers' business occurs which is not caused by an event of *force majeure*, provided such termination is approved at a meeting of Unitholders by resolution approved by holders representing at least 50% of all the issued and outstanding Trust Units and at least 66⅔% of the Trust Units which are voted at the meeting, (ii) in the case of default by Lantic in the performance of a material obligation under the Management Agreement which is not remedied within 30 days, other than a failure of performance which results from an event of *force majeure* or (iii) if the Services Outsourcing Agreement is terminated. If the Management Agreement is terminated pursuant to clauses (i) or (ii) above, or pursuant to clause (iii) above as a result of the Services Outsourcing Agreement being terminated on grounds similar to those described in clauses (i) and (ii) above, and such termination occurs (a) within five years from the date of closing of this offering and (b) within the two years following the acquisition by a person or group of persons acting jointly or in concert and dealing at arm's length with Lantic of more than 50% of the Trust Units (other than pursuant to the Exchange Right), then Rogers will pay Lantic a fee equal to three times the total amount of fees paid under the Management Agreement in the immediately preceding fiscal year.

Rogers may also terminate the Management Agreement, without payment of a termination fee, (i) in the event of the insolvency or receivership of Lantic or (ii) if Onex and Balaclava cease to own, directly or indirectly, in aggregate at least 33⅓% of Lantic's issued and outstanding equity and voting securities. At present, Onex and Balaclava indirectly own in aggregate all of Lantic's issued and outstanding equity securities.

Lantic may terminate the Management Agreement (i) at any time on 12 months' written notice, (ii) in the event of the insolvency or receivership of Rogers, (iii) in the case of default by Rogers in the performance of a material obligation under the Management Agreement which is not remedied within 30 days, other than a failure of performance which results from an event of an event of *force majeure* or (iv) if the Services Outsourcing Agreement is terminated.

The Management Agreement and all of the rights, entitlements and obligations of Lantic will be assignable to any party not dealing at arm's length with Lantic and to any arm's length party, with the consent of Rogers, which consent shall not be unreasonably withheld.

The Management Agreement provides that Lantic and its affiliates will not engage directly or indirectly in the business of importing, processing, refining, distributing and marketing sugar products in western Canada, will not solicit certain employees of Rogers and contains provisions to regulate any conflicts of interest which may arise and provides for indemnification by Rogers of Lantic and the directors of Rogers. Any dispute arising out of or in connection with the Management Agreement will be submitted to and finally resolved by an arbitration board comprised of three persons, one person appointed by each of Rogers and Lantic and a third person appointed by the nominees of Rogers and Lantic.

Services Outsourcing Agreement

Lantic and Rogers will enter into the Services Outsourcing Agreement pursuant to which Lantic will provide all selling, general and administrative services necessary for Rogers to carry on its business, the costs of which have historically been allocated to selling, general and administrative expenses (other than services relating to distribution, the costs of which have historically been expensed as such, and material third party costs which arise as a result of events out of the ordinary course of business) (the "Outsourced Services"). The Outsourced Services to be provided will include the following:

- conducting sales and marketing activities for and on behalf of Rogers;
- monitoring the financial and non-financial performance of Rogers;
- arranging for the provision of external professional and non-professional services;
- negotiating and monitoring contracts with customers and suppliers of Rogers; and
- providing services in carrying out any acquisition, disposition, merger or other business combination strategy and any related financings.

In consideration for the Outsourced Services rendered, Lantic will receive a fee equal to $4.1 million per annum, adjusted for fluctuations in the consumer price index. Lantic will reimburse Rogers for the full amount of salaries, benefits and premiums on pension plans, in respect of employees of Rogers involved in selling, general and administrative functions, excluding those employees engaged in distribution.

Rogers and Lantic may terminate the Services Outsourcing Agreement on substantially the same grounds as the Management Agreement. In the event of termination of the Services Outsourcing Agreement by Rogers (i) as a result of a substantial deterioration of Rogers' business which is not caused by an event of *force majeure*, (ii) in the case of default by Lantic in the performance of a material obligation under the Services Outsourcing Agreement which is not remedied within 30 days, other than a failure of performance which results from an event of *force majeure* or (iii) as a result of termination of the Management Agreement on grounds similar to those described in (i) and (ii) above, and such termination occurs (a) within five years from the date of the closing of this offering and (b) within two years following the acquisition by a person or group of persons acting jointly or in concert and dealing at arm's length with Lantic of more than 50% of the Trust Units, Rogers will pay Lantic a fee equal to three times the fee paid under the Services Outsourcing Agreement in the immediately preceding fiscal year.

In the event that Lantic terminates the Services Outsourcing Agreement at any time on twelve months' notice, other than within two years following the acquisition by a person or group of persons acting jointly or in concert and dealing at arm's length with Lantic of more than 50% of the Trust Units outstanding, Lantic will refund to Rogers an amount equal to the lesser of (i) three times the amount by which (a) the annual fees that Rogers will be required to pay to another qualified and competent provider to provide the Outsourced Services exceeds (b) the fee paid to Lantic under the Services Outsourcing Agreement in the last completed year and (ii) $5 million.

In all other respects the Services Outsourcing Agreement is similar to the Management Agreement.

Information Respecting Lantic

Lantic is a corporation continued under the CBCA. The head and registered office of Lantic is at 4026 Notre-Dame St. East, Montreal Quebec H1W 2K3. Lantic is owned indirectly as to 75% by OMI LP and as to 25% BAI. Prior to the acquisition by OMI LP and BAI of BC Sugar through BCS, Lantic was an indirect wholly-owned subsidiary of RSL.

Lantic is and for many years has been in the business of refining, distributing and marketing sugar products in eastern Canada. It has two sugar refining facilities, one in Montreal, Quebec and one in Saint John, New Brunswick. Lantic supplies approximately 46% of the eastern Canadian sugar market. Lantic's sugar products are marketed primarily in eastern Canada under the "Lantic" trademark. Products include granulated, icing, cube, yellow and brown sugars and liquid sugars.

The names, municipalities of residence and principal occupations of the directors of Lantic are as follows:

Name and municipality	Position	Principal Occupation
A. Stuart Belkin, ... Vancouver, British Columbia	Director	President and Chief Executive Officer, Balaclava Enterprises Ltd.
Thomas P. Dea, ... Toronto, Ontario	Director	Principal, Onex
Mark L. Hilson, ... Etobicoke, Ontario	Director	Vice President, Onex
Seth M. Mersky, ... Oakville, Ontario	Director	Vice President, Onex

All of the directors and officers of Lantic have had the same or a similar principal occupation with the organization listed opposite their respective names for the last five years, except for Mr. Mersky who prior to March 1997 was Senior Vice President at a Canadian chartered bank and Mr. Dea who prior to May 1995 was an Associate at CIBC Wood Gundy Capital.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Selected Financial Information

The following table summarizes certain financial information of Rogers Sugar (a division of BC Sugar Refinery, Limited) (the "Division") which is derived from and should be read in conjunction with the historical financial statements of the Division and the notes thereto, which are included elsewhere in this prospectus.

	Nine Months Ended June 30,		Year Ended September 30,				
	1997	1996	1996	1995	1994	1993	1992
	(unaudited)				(audited) (in thousands)		
Revenues	$134,013	$149,927	$198,414	$194,710	$187,612	$165,848	$156,006
Gross margin	33,806	40,935	50,373	48,576	42,934	45,270	43,632
Costs and expenses	23,038	14,980	19,472	23,149	19,829	23,645	36,648
Earnings before income taxes	10,768	25,955	30,901	25,427	23,105	21,625	16,984
Net earnings	$ 6,502	$ 16,188	$ 19,195	$ 15,243	$ 13,850	$ 12,995	$ 10,268

Nine months ended June 30, 1997 compared to nine months ended June 30, 1996

Revenues decreased 11% from $149.9 million in the nine months ended June 30, 1996 to $134.0 million in the comparable period in 1997. Sales volumes declined by 4.5% due to lower sales volumes in the liquid sugar market and the export market to the United States. The decline in export volumes to the U.S. was due to reduced access to the United States as a result of U.S. import quotas on refined sugar and sugar-containing products. The decline in liquid sugar volumes was due to competition from HFCS.

Sales margins also declined as a major sugar refiner in Toronto temporarily reduced sales margins in order to attract sales volume to fill its recent plant expansion. In order to retain sales volumes and customers, Rogers matched discounts offered to its customers during the early part of the nine month period. Sales margins are now recovering to their historical levels.

Gross margin decreased by 17% from $40.9 million in the nine months ended June 30, 1996 to $33.8 million in the comparable period in 1997. The decrease was due to the lower sales volumes and sales margins discussed above.

Costs and expenses increased by 54% from $15.0 million in the nine months ended June 30, 1996 to $23.0 million in the comparable period in 1997, for a total increase of $8 million. The increase is primarily due to a $7.0 million restructuring charge for the closure of the operating plant in Winnipeg, Manitoba. The restructuring charge includes a write-down of capital assets in the amount of $2.6 million and severance and other closure costs of $4.4 million. The other $1.0 million increase was due to a number of factors, which include higher freight costs as more refined sugar was shipped from Vancouver to the Canadian prairies and a $0.4 million gain on the sale of a fertilizer business in the nine months ended June 30, 1996.

Net earnings declined from $16.2 million in the nine months ended June 30, 1996 to $6.5 million in the comparable period in 1997 due to the factors discussed above.

Year ended September 30, 1996 compared to year ended September 30, 1995

Revenues increased by approximately $3.7 million or 2% in fiscal 1996 over revenues reported in fiscal 1995. Gross margin increased by $1.8 million, from $48.6 million in fiscal 1995 to $50.4 million in fiscal 1996. The increases in revenues and gross margin were due to the elimination of dumped and subsidized imports from the United States and the European Union countries, following the imposition of duties by Revenue Canada on November 6, 1995. This positive factor was partially offset by a lower world price of raw sugar, domestic competition and further limitations on export sales to the United States.

Earnings before income taxes increased to $30.9 million in fiscal 1996 from $25.4 million in fiscal 1995, due to the increase in gross margin of $1.8 million, a decrease in selling, general and administrative expenses of $2.0 million, a decrease in restructuring costs of $2.0 million and a decrease in other interest expense of $0.1 million. These improvements were somewhat offset by a $0.4 million increase in depreciation and amortization.

Selling, general and administrative expenses have decreased by $2.0 million due to cost reductions resulting from the prior year restructuring of the Division's operations.

In fiscal 1995, the Division restructured its operations by implementing a number of cost savings initiatives. Severance and other costs of this restructuring amounted to $2.0 million. These costs were not repeated in fiscal 1996.

In fiscal 1996, the Division recorded net earnings of $19.2 million compared to $15.2 million in fiscal 1995. The increase in earnings is due to items discussed previously.

Year ended September 30, 1995 compared to year ended September 30, 1994

Revenues increased by approximately $7.1 million or 3.8% in fiscal 1995 over revenues reported in fiscal 1994. The increase in revenues was due primarily to an increase in the world price of raw sugar which was passed onto customers in accordance with industry practice, offset somewhat by 3% lower sales volumes as the result of refined sugar being dumped into Canada by foreign competition.

Gross margin increased by $5.7 million from $42.9 million in fiscal 1994 to $48.6 million in fiscal 1995. The increase in gross margin was the result of a significant increase in the sugar beet crop of the Division's prairie operations. Certain economies of scale in processing, higher by-product revenues from the sale of molasses and beet pulp and higher margins earned on the sale of sugar produced from sugar beets compared to sugar produced from raw cane sugar resulted from the increased sugar beet crop.

Costs and expenses increased by $3.3 million from $19.8 million in fiscal 1994 to $23.1 million in fiscal 1995. The increase was primarily due to restructuring costs in the amount of $2.0 million for severance and other employee termination costs as the Division restructured its operations and reduced the number of employees in order to remain competitive.

Net earnings increased from $13.9 million in fiscal 1994 to $15.2 million in fiscal 1995 as a result of the improved gross margin, offset by the increase in costs and expenses, as discussed above.

Liquidity and Capital Resources

Cash requirements for working capital and capital expenditures have historically been met with funds generated from operations. Management has reviewed projected cash flows for the remainder of fiscal 1997 and fiscal 1998 and has compared these to normal ongoing requirements for capital improvements, interest, dividend and return of capital payments. It is estimated that these requirements will be met by funds generated from operations except for the anticipated expansion of the operations at Taber and selected other capital expenditures which will be financed by long-term bank debt. See "Share and Loan Capital of Rogers — Credit Facilities".

FINANCIAL FORECAST OF ROGERS SUGAR INCOME FUND

The statement of forecast earnings and distributable cash of the Fund for the year ending September 30, 1998, as well as the principal assumptions used to prepare the forecast, were prepared by management of Lantic in September 1997 and approved by the Trustees on September ● , 1997.

The financial forecast was prepared according to generally accepted accounting principles and regulatory requirements relating to the evaluation, presentation and publication of financial forecasts. The financial forecast was prepared according to the assumptions that reflect the guidelines that the Fund has planned to adopt for the period covered, taking into account all of the industry and economic conditions that, in the opinion of the management of Lantic, were the most probable as at September ● , 1997. Pursuant to applicable securities legislation, the Fund will be required to update the forecast during the forecast period by identifying any significant changes resulting from events that have occurred during the period or disclosing that no significant changes are required and by comparing such forecast with actual annual and interim results.

Some of the assumptions used in the preparation of the forecast, although considered reasonable by management of Lantic at the time of preparation, may prove to be incorrect. The actual results achieved for the forecast period will vary from the forecast results and the variations may be material.

The forecast should be read in conjunction with the financial statements and financial forecast of Rogers and the audited financial statement and pro forma financial statements of the Fund appearing elsewhere in this prospectus.

AUDITORS' REPORT ON FINANCIAL FORECAST

To the Trustees of
Rogers Sugar Income Fund

The accompanying financial forecast of Rogers Sugar Income Fund (the "Fund") consisting of the statement of forecast earnings and distributable cash for the year ending September 30, 1998 has been prepared by management of Lantic Sugar Limited ("Lantic") using assumptions with an effective date of September ● , 1997. We have examined the support provided by management of Lantic for the assumptions, and the preparation and presentation of this forecast. Our examination was made in accordance with the applicable Auditing Guideline issued by The Canadian Institute of Chartered Accountants. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- as at the date of this report, the assumptions developed by management of Lantic are suitably supported and consistent with the plans of the Fund, and provide a reasonable basis for the forecast;
- this forecast reflects such assumptions; and
- the financial forecast complies with the presentation and disclosure standards for forecasts established by The Canadian Institute of Chartered Accountants.

Since this forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, we express no opinion as to whether this forecast will be achieved.

Vancouver, Canada ●
September ● , 1997 Chartered Accountants

FORECAST OF
ROGERS SUGAR INCOME FUND

Statement of Forecast Earnings and Distributable Cash

Year ending September 30, 1998
(in thousands of dollars, except per unit amounts)

Revenue:	
Interest income on 11.5% unsecured subordinated notes	$32,000
Share of loss of Rogers Sugar Ltd. (note 4)	●
	●
Administration expenses	300
Net earnings	●
Add:	
Dividends from Rogers Sugar Ltd.	6,692
Share of loss of Rogers Sugar Ltd.	●
Distributable cash (note 5)	$38,392
Distributable cash per Trust unit	$ ●

See accompanying notes to statement of forecast earnings and distributable cash.

ROGERS SUGAR INCOME FUND

Notes to Statement of Forecast Earnings and Distributable Cash

Year ending September 30, 1998

1. Basis of presentation:

The statement of forecast earnings and distributable cash has been prepared by Lantic Sugar Limited ("Lantic") for the Rogers Sugar Income Fund (the "Fund") as at ● , 1997 using assumptions that are based on information available at that date. As this forecast is based on assumptions regarding future events, actual results will vary from the forecast information and the variations may be material. The assumptions used in preparing the forecast reflect the intended course of action of Lantic, as administrator of the Fund, for the forecast period based on its judgment as to the most probable set of economic conditions during the forecast period and gives effect to the following transactions forecast to occur on or before October 1, 1997:

(a) The establishment of the Fund as an open ended, limited purpose trust to acquire all of the issued and outstanding common shares and all of the outstanding notes of Rogers. The Fund will incorporate RSIF Newco Inc. under the Canada Business Corporations Act.

(b) RSIF Newco Inc., BCS Acquisition Inc., 505272 N.B. Limited, BC Sugar Refinery, Limited and Rogers Sugars Ltd. will amalgamate to form Rogers Sugar Ltd. ("Rogers"). On the amalgamation, OMI LP will acquire ● Class A special shares, BAI will acquire ● Class B special shares and the Fund will acquire one common share. Following the amalgamation, the Fund will subscribe for $ ● of common shares and $278,260,870 principal amount of 11.5% subordinated notes to be issued by Rogers. One Class C special share will be issued to Lantic Capital Inc. ("Lantic Capital"), an affiliate of Lantic. The Class A and B special shares will be redeemable and retractable at a fixed aggregate amount, non-participating on a winding-up beyond the redemption amount and will not be entitled to dividends. The Class A special shares will be non-voting and the Class B special shares will be entitled to 10.01% of all votes on all outstanding classes of shares of Rogers.

The Class C special share will be redeemable for $1.00 if the governance agreement between Lantic Capital, the Fund and Rogers is terminated. The share has no dividend entitlement, has the right to $1.00 on liquidation and entitles the holder to elect three of the five directors of Rogers.

(c) The Fund will issue ● trust units for cash proceeds of $ ● . The Fund will also issue ● trust units to employees and seed capital investors for proceeds of ● .

2. Summary of significant accounting policies:

The forecast has been prepared in accordance with generally accepted accounting principles expected to be applied by the administrator of the Fund in the preparation of financial statements during the forecast period. The Fund accounts for its investment in Rogers using the equity method of accounting and, accordingly the forecast should be read in conjunction with the forecast of Rogers appearing elsewhere in this prospectus. The share of loss of Rogers is calculated after taking into account interest on the 11.5% unsecured subordinated notes. The principal amount of the unsecured subordinated notes and the interest rate thereon is assumed to be $278,260,870 and 11.5% per annum, respectively, in the forecast of Rogers.

3. Assumptions:

(a) Effective date of acquisition:

The forecast assumes that the amalgamation forming Rogers will be completed on closing, the effective date will be ● , 1997 and that the Fund will be entitled to all of Rogers' forecast earnings during the period of October 1, 1997 to September 30, 1998. In addition, the Fund will be entitled to receive interest quarterly on the $278,260,870 principal amount of 11.5% subordinated notes commencing October 1, 1997.

(b) Administration expenses:

The forecast assumes total administration expenses of $300,000, consisting of a $50,000 administration fee payable to Lantic and $250,000 of estimated out-of-pocket expenses.

(c) Income taxes:

The Fund is an open ended, limited purpose, unincorporated trust established under the laws of the Province of Ontario. As the Fund is entitled to deduct income of the Fund distributed to unitholders to the extent of its taxable income, it is expected that the Fund will not be liable for any material tax under the Income Tax Act (Canada). Accordingly, no provision for income taxes on the earnings of the Fund has been made.

4. Rogers Sugar Ltd. summary financial information:

The following is a statement of forecast earnings of Rogers for the year ending September 30, 1998 (the assumptions used appear with the Rogers forecast set out separately in this prospectus):

Revenues	$164,727
Cost of sales	116,613
Gross margin	48,114
Expenses:	
Distribution expense	4,447
Management and outsourcing fees	4,400
Capital tax	475
Earnings before depreciation and amortization, interest and income taxes	38,792
Depreciation and amortization	10,691
Earnings before interest and income taxes	28,101
Long-term debt interest (including interest payable to the Fund)	35,635
Other interest	500
Loss before income taxes	8,034
Income taxes	1,335
Loss for the year as reported by Rogers Sugar Ltd.	9,369
Amortization of the Fund's purchase price discrepancy	● (1)
Fund's equity in loss of Rogers	$ ●

(1) The Fund's purchase price discrepancy of $ ● will be allocated to goodwill, which will be amortized on a straight-line basis over 20 years. The purchase price discrepancy represents the excess purchase price of the Fund's investment over the related net book value of Rogers at the date of acquisition.

5. Distributable cash:

Distributable cash includes interest and dividends payable by Rogers to the Fund less the expenses of the Fund. The forecast assumes that Rogers declares dividends during the year in which distributable cash is earned. Distributions of dividends are forecast to be made quarterly. The amount of dividends forecast to be declared has been estimated by the management of Rogers without consideration of the possibility of returning capital to the unitholders.

FINANCIAL FORECAST OF ROGERS SUGAR LTD.

The statement of forecast earnings of Rogers for the year ending September 30, 1997, as well as the principal assumptions used to prepare the forecast, were prepared by management of Rogers in September 1997 and approved by the directors of Rogers on September ● , 1997.

The financial forecast was prepared according to generally accepted accounting principles and regulatory requirements relating to the evaluation, presentation and publication of financial forecasts. The forecast was prepared according to assumptions that reflect the guidelines that Rogers has planned to adopt for the period covered, taking into account all of the industry and economic conditions that, in the opinion of management of Rogers, were the most probable as at September ● , 1997.

Some of the assumptions used in the preparation of the forecast, although considered reasonable by Rogers at the time of preparation, may prove to be incorrect. The actual results achieved for the forecast period will vary from the forecast results and the variations may be material.

The forecast should be read in conjunction with the financial statements of Rogers and the audited financial statement and pro forma financial statements of the Fund appearing elsewhere in this prospectus.

AUDITORS' REPORT ON FINANCIAL FORECAST

To the Board of Directors of
ROGERS SUGAR LTD.

The accompanying financial forecast of Rogers Sugar Ltd. ("Rogers") consisting of a statement of forecast earnings for the year ending September 30, 1998 has been prepared by management using assumptions with an effective date of September ● , 1997. We have examined the support provided by management for the assumptions, and the preparation and presentation of this forecast. Our examination was made in accordance with the applicable Auditing Guideline issued by The Canadian Institute of Chartered Accountants. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- as at the date of this report, the assumptions developed by management are suitably supported and consistent with the plans of Rogers, and provide a reasonable basis for the forecast;
- this forecast reflects such assumptions; and
- the financial forecast complies with the presentation and disclosure standards for forecasts established by The Canadian Institute of Chartered Accountants.

Since this forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, we express no opinion as to whether this forecast will be achieved.

Vancouver, Canada
September ● , 1997

●
Chartered Accountants

ROGERS SUGAR LTD.

Statement of Forecast Earnings

Year ending September 30, 1998
(in thousands of dollars)

Revenues	$164,727
Cost of sales	116,613
Gross margin	48,114
Expenses:	
Distribution	4,447
Management and outsourcing fees (note 3(e))	4,400
Capital tax	475
Earnings before depreciation and amortization, interest and income taxes	38,792
Depreciation and amortization	10,691
Earnings before interest and income taxes	28,101
Long-term debt interest (including interest payable to the Fund)	35,635
Other interest	500
Loss before income taxes	8,034
Income taxes:	
Current	600
Deferred	735
	1,335
Loss for the year	$ 9,369

See accompanying notes to statement of forecast earnings.

ROGERS SUGAR LTD.

Notes to Statement of Forecast Earnings

Year ending September 30, 1998

1. Basis of presentation:

The statement of forecast earnings has been prepared by management of Rogers Sugar Ltd. (the "Company") as at ● , 1997 using assumptions that are based on information available at that date. As this forecast is based on assumptions regarding future events, actual results will vary from the forecast information and the variations may be material. The assumptions used in preparing the forecast reflect the intended course of action of management for the forecast period based on its judgment as to the most probable set of economic conditions during the forecast period and gives effect to the following transactions forecast to occur on or before ● , 1997.

(a) Rogers Sugar Income Fund (the "Fund") will incorporate RSIF Newco Inc. under the Canada Business Corporations Act.

(b) RSIF Newco Inc., BSC Acquisition Inc., 505272 N.B. Limited, BC Sugar Refinery, Limited and Rogers Sugars Ltd. will amalgamate to form the Company. On the amalgamation, OMI LP will acquire ● Class A special shares, BAI will acquire ● Class B special shares and the Fund will acquire one common share. Following the amalgamation, the Fund will subscribe for $ ● of common shares and $278,260,870 principal amount of 11.5% subordinated notes to be issued by Rogers. One Class C special share will be issued to Lantic Capital Inc. ("Lantic Capital"), an affiliate of Lantic Sugar Limited ("Lantic"). The Class A and B special shares will be redeemable and retractable at a fixed aggregate amount, non-participating on a winding-up beyond the redemption amount and will not be entitled to dividends. The Class A special shares will be non-voting and the Class B special shares will be entitled to 10.01% of all votes on all outstanding classes of shares of Rogers.

The Class C special share will be redeemable for $1.00 if the governance agreement between Lantic Capital, the Fund and the Company is terminated. The share has no dividend entitlement, has the right to $1.00 on liquidation and entitles the holder to elect three of the five directors of the Company.

(c) Repayment of existing bank term loans aggregating $38,500,000.

(d) Issuance of new term bank loan facility of up to $100,000,000 bearing interest at either the bank prime rate or banker's acceptance rate plus a stamping fee based on the performance of the Company.

(e) The Company will reduce the paid-up capital of the Class A and Class B shares in an amount of $ ● .

2. Summary of significant accounting policies:

The forecast has been prepared, except for the basis of presentation as noted above and the depreciation and amortization policy noted below, in accordance with accounting policies set out in note 1 of the financial statements of Rogers Sugar (a Division of BC Sugar Refinery, Limited) for the year ended September 30, 1996 included elsewhere in this prospectus, which are expected to be applied consistently throughout the forecast period.

Fixed assets:

Fixed assets are recorded at their cost to the Company.

Depreciation is provided on a straight-line basis over the estimated useful life of the related assets as follows:

Buildings	2½% per annum
Plant and equipment	5% per annum
Furniture and fixtures	20% per annum

Goodwill:

Goodwill is amortized on a straight-line basis over twenty years.

3. Assumptions:

(a) General:

The forecast assumes that the demand for refined sugar will be consistent with historical trends and that existing trade laws and economic conditions will continue in place through the forecast period.

(b) Revenues:

Forecast revenues consist of refined sugar sales and by-product revenues. Refined sugar sales are based on existing customer contracts and assume sales volumes and prices consistent with current levels in western Canada. By-product sales are consistent with current yields and prices.

(c) Cost of sales:

Forecast cost of sales consists primarily of raw sugar purchases, beet receiving, processing, packaging and maintenance costs, which are based on the following:

(i) raw cane sugar costs are based on No. 11 sugar price quoted on the New York Coffee, Sugar and Cocoa Exchange plus ocean freight at historical levels. Beet sugar costs are based on the sharing formula negotiated with the growers.

(ii) beet receiving costs are based on expected purchase volumes and the current receiving costs.

(iii) processing costs are based on expected labour requirements which are subject to collective agreements. Energy costs are based on estimated natural gas prices.

(iv) packaging costs are based on current packaging costs of labour and negotiated contracts for packaging materials.

(v) maintenance costs are based on the planned management maintenance program utilizing collective agreements for labour.

(d) Distribution costs:

Distribution costs assume continuation of freight rates consistent with historical experience.

(e) Management and outsourcing fees:

Commencing on October 1, 1997, strategic management services will be provided by Lantic for an agreed fee of $300,000 per annum. These services will include strategic planning and development of the business of Rogers and strategic advice on matters pertaining to major acquisitions and divestitures, capital expenditures and financing arrangements related thereto.

Commencing on October 1, 1997 all sales, general and administrative services, other than services related to distribution, will be provided by Lantic for an agreed fee of $4,100,000 per annum pursuant to a services outsourcing agreement.

(f) Depreciation and amortization:

Depreciation and amortization have been determined in accordance with the policy identified in note 2.

(g) Long-term debt interest:

Long-term debt interest expense assumes the following:

(i) Interest at a rate of 11.5% on the principal amount of $278,260,870 subordinated notes payable to the Fund.

(ii) Interest on the term bank loan facility based on the estimated average amount expected to be utilized during the forecast period at an interest rate of 5.2%.

4. Dividend or returns of capital to Rogers Sugar Income Fund:

The following summarizes the source of cash available for distribution to the Fund:

Loss for the year	$(9,369,000)
Add:	
Depreciation and amortization	10,691,000
Deferred income tax	735,000
Capital expenditures (a)	(2,000,000)
Cash in escrow as noted below (b)	6,635,000
	$ 6,692,000

(a) The Company has embarked on a major capital expenditure program of its Taber beet sugar processing facility. The funds to complete this expansion will be obtained by drawing down the new term bank loan facility. The remaining capital expenditures (maintenance capital expenditures) will be funded through normal cash flows and are forecast to be $2,000,000 for the year ending September 30, 1998.

(b) It is assumed that Rogers will deposit an amount of $16,000,000 with an escrow agent. These funds shall be available for distribution to the Fund for distribution to the unitholders. The amounts will be used to supplement cash generated from operations, net of maintenance capital expenditures, to make distributions to the unitholders of the Fund.

DESCRIPTION OF THE FUND

Declaration of Trust

The Fund is an open-ended, limited purpose trust created pursuant to the Declaration of Trust and governed by the laws of the Province of Ontario. It is intended that the Fund will qualify as a mutual fund trust for the purposes of the Tax Act. The following is a summary of the material attributes and characteristics of the Trust Units and certain provisions of the Declaration of Trust which does not purport to be complete. Reference is made to the Declaration of Trust for a complete description of the Trust Units and the full text of its provisions. See "Material Contracts".

Trustees

The names, municipalities of residence and principal occupations of the Trustees of the Fund are as follows:

Name and Municipality of Residence	Principal Occupation
Edward Y. Baker Toronto, Ontario	President, HOOPP Investment Management Limited
James S.A. MacDonald Toronto, Ontario	Managing Partner, Enterprise Capital Management Inc.
M. Dallas H. Ross Vancouver, British Columbia	Managing Director, Investment Banking, ScotiaMcLeod Inc.

Each of the Trustees has held his principal occupation for the last five years, except for Mr. MacDonald who prior to April 1997 was Deputy Chairman at ScotiaMcLeod Inc..

The Trustees will be entitled to compensation for services rendered to the Fund in their capacity as Trustees.

The Declaration of Trust provides that, subject to the terms and conditions of the Declaration of Trust, the Trustees may, in respect of the trust assets and the activities and affairs of the Fund, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof. The number of Trustees will be not less than three nor more than seven. The Declaration of Trust prohibits persons who are not resident in Canada for the purposes of the Tax Act from being Trustees. The Trustees are responsible for, among other things: (i) acting for, voting on behalf of and representing the Fund as a shareholder and noteholder of Rogers; (ii) maintaining records and providing reports to Unitholders; (iii) supervising the activities and managing the investments and affairs of the Fund; and (iv) effecting payments of distributable cash from the Fund to Unitholders. To the extent that management of the Fund involves matters which under applicable law should be delegated to or determined by an independent person or persons (which may or may not include certain of the Trustees), the Trustees will delegate such matters to such independent person or persons and any decision by such person or persons shall be binding on the Trustees.

A Trustee may resign upon written notice to the Fund and may be removed by a majority of the votes cast at a meeting of the Unitholders held for that purpose and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the remaining Trustees.

A quorum of the Trustees, being the greater of two Trustees or a majority of the Trustees then holding office, may fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of the Trustees, or if the vacancy has arisen from a failure of the Unitholders to elect the required number of Trustees, or if the vacancy has arisen from a failure of the Unitholders to appoint the required number of Trustees, the Trustees shall forthwith call a special meeting of Unitholders to fill the vacancy. If the Trustees fail to call such meeting or if there are no Trustees then in office, any Unitholder may call the meeting.

The Trustees may, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of the Unitholders, but the number of additional trustees shall not at any time exceed one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of the Unitholders.

The Declaration of Trust provides that the Trustees shall act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Trustees shall be entitled to indemnification from the Fund in respect of the performance of their duties under the Declaration of Trust in the absence of breach of their duties and standard of care. The Declaration of Trust states that the duties and standard of care of the Trustees provided in the Declaration of Trust are intended to be similar to, and not greater than, those imposed on a director of a corporation governed by the CBCA.

Activities of Fund

The Declaration of Trust provides that the Fund is restricted to:

(a) investing its funds in securities, including securities issued by Rogers;

(b) temporarily holding cash in interest-bearing accounts or short-term government debt for the purposes of investing, paying the expenses of the Fund, paying amounts payable by the Fund in connection with the redemption of any Trust Units and making distributions to Unitholders; and

(c) issuing Trust Units for cash or in order to make distributions to Unitholders or to acquire, directly or indirectly, securities.

Trust Units

An unlimited number of Trust Units may be issued pursuant to the Declaration of Trust. Each Trust Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Trust Units are of the same class with equal rights and privileges. Unitholders are not subject to future calls or assessments (except to the extent Trust Units are issued on an instalment basis). Trust Units entitle the holder thereof to one vote for each whole Trust Unit held at all meetings of Unitholders. Except as set out under "Redemption Right" below, the Trust Units have no conversion, retraction, redemption or pre-emptive rights.

Issuance of Trust Units

The Declaration of Trust provides that the Trust Units or rights to acquire Trust Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Trust Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a *pro rata* basis. The Declaration of Trust also provides that immediately after any *pro rata* distribution of Trust Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Trust Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the non-cash distribution. In this case, each certificate evidencing a number of Trust Units prior to the non-cash distribution is deemed to represent the same number of Trust Units after the non-cash distribution and the consolidation.

Administration of the Fund

On closing of this offering, the Fund will enter into an agreement (the "Administration Agreement") with Lantic whereby Lantic will agree to act as Administrator of the Fund. The Administrator will provide or arrange for the provision of services required in the administration of the Fund. These services may include arranging and paying for annual audit and regulatory public reporting services and costs, arranging for, and paying the costs of, legal counsel, monitoring and co-ordinating the activities of and paying the fees of the transfer agent and registrar for the Trust Units, arranging for distributions to Unitholders, and providing reports to Unitholders. In consideration of its services, Lantic will receive $50,000 per annum plus certain out-of-pocket costs and expenses. The Administration Agreement is terminable on 180 days' notice, or immediately in the event of termination of either of the Management or Services Outsourcing Agreements, winding-up of the Fund, the insolvency or receivership of Lantic or default by Lantic in the performance of any material obligation which is not remedied within 30 days.

Cash Distributions

The amount of cash to be distributed annually per Trust Unit shall be equal to a *pro rata* share of interest and distributions on or in respect of Notes or Common Shares of Rogers, respectively, received by the Fund less:

(i) administrative expenses and other obligations of the Fund; (ii) amounts which may be paid by the Fund in connection with any cash redemptions of Trust Units; and (iii) any other expense incurred by the Fund between distributions. Unitholders shall also be entitled to receive a *pro rata* share of any repayments of principal in respect of the Notes of Rogers received by the Fund. Any income of the Fund which is applied to any such cash redemptions of Trust Units or is otherwise unavailable for cash distribution will be distributed to Unitholders in the form of additional Trust Units. Such additional Trust Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

The Fund intends to make base quarterly cash distributions of approximately $ ● per 100 Trust Units, based upon anticipated cash receipts of the Fund, less estimated amounts required for the payment of expenses and assuming there are no cash redemptions of Trust Units. See "Financial Forecast of Rogers Sugar Income Fund". Quarterly distributions are to be paid to Unitholders of record on the last business day of each calendar quarter and will be made on or about the fifteenth day of January, April, July and October in each year. The initial cash distribution for the period from the closing of this offering to December 31, 1997 to the Unitholders of record on December 31, 1997 is estimated to be $ ● per 100 Trust Units and is expected to be paid on or before January 15, 1998.

Holders of Trust Unit Instalment Receipts or Trust Units who are non-residents of Canada will be subject to applicable withholding taxes in respect of any distributions of income by the Fund whether such distributions are in the form of cash or additional Trust Units. Non-residents should consult their tax advisors regarding the tax consequences of investing in the Trust Units.

Redemption Right

Trust Units that are fully paid are redeemable at any time on demand by the holders thereof. A Unitholder who wishes to exercise the redemption right will be required to obtain a redemption notice form from his or her investment dealer who will be required to deliver the completed redemption notice form to the Fund. Upon receipt of the redemption notice by the Fund, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Trust Unit ("Redemption Price") equal to the lesser of: (i) 95% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 10 trading day period commencing immediately subsequent to the date on which the Trust Units were surrendered for redemption (the "Redemption Date"); and (ii) the "closing market price" on the principal market on which the Trust Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, "market price" will be an amount equal to the simple average of the closing price of the Trust Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Trust Units traded on a particular day, the "market price" shall be an amount equal to the simple average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the "market price" shall be the simple average of the following prices established for each of the 10 trading days: the average of the last bid and last ask prices of the Trust Units for each day there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the average of the highest and lowest prices of the Trust Units for each day that there was trading if the market provides only the highest and lowest prices of Trust Units traded on a particular day. The "closing market price" shall be an amount equal to the closing price of the Trust Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Trust Units if there was trading and the exchange or other market provides only the highest and lowest prices of Trust Units traded on a particular day; and the average of the last bid and last ask prices of the Trust Units if there was no trading on that date. In the event that the Trust Units are not listed or quoted on any market, the Redemption Price shall be equal to 95% of the fair market value of such Trust Units as determined by the Trustees on the advice of an investment dealer.

During a period of time, after the date of the closing of this offering is completed that the Trust Units issued are subject to payment of the final instalment, unless a market for trading in the Trust Units (other than those represented by Trust Unit Instalment Receipts) develops which the Trustees consider fairly reflect the market value of the Trust Units, the "market price" and the "closing market price" shall be the aggregate of the "market price" or the "closing market price" for the Trust Unit Instalment Receipts plus the amount of the $4.00 final instalment in respect of each Instalment Receipt.

The aggregate Redemption Price payable by the Fund in respect of any Trust Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on the last day of the month following the month in which the Trust Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the limitations that: (i) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month shall not exceed $200,000 (provided that such limitation may be waived at the discretion of the Administrator); (ii) at the time such Trust Units are tendered for redemption, the outstanding Trust Units of the Fund shall be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units; and (iii) the normal trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, on any market on which the Trust Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the foregoing limitations, then each Trust Unit tendered for redemption shall, subject to any applicable regulatory approvals, be redeemed by way of a distribution *in specie* of a *pro rata* number of securities of Rogers held by the Fund. No fractional Common Shares or Notes in integral multiples of less than $10 will be distributed and where the number of securities of Rogers to be received by a Unitholder includes a fraction or a multiple less than $10, such number shall be rounded to the next lowest whole number or integral of $10. The Fund shall be entitled to all interest paid on the Notes and the distributions paid on the Common Shares on or before the date of the distribution *in specie*.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Trust Units to dispose of their Trust Units. Securities of Rogers which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in securities of Rogers and they may be subject to resale restrictions under applicable securities laws. Securities of Rogers so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans, each as defined in the Tax Act, depending upon the circumstances at the time. See "Certain Canadian Federal Income Tax Considerations".

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders must be called and held for the election or removal of nominees of the Fund to serve as directors of Rogers (except filling casual vacancies), the appointment and removal of Trustees, the appointment or removal of the auditors of the Fund, the appointment of an inspector to investigate the performance by the Trustees or Administrator in respect of their respective responsibilities and duties in respect of the Fund, the approval of amendments to the Declaration of Trust (except as described under "Amendments to the Declaration of Trust" below), the sale of all or substantially all of the assets of the Fund, the exercise of certain voting rights attached to securities of Rogers held by the Fund (see "Exercise of Certain Voting Rights Attached to Securities of Rogers" below) and the dissolution of the Fund prior to the end of its term. A resolution electing or removing nominees of the Fund to serve as directors of Rogers and a resolution appointing or removing Trustees or the auditors of the Fund must be passed by a simple majority of the votes cast by Unitholders. The balance of the foregoing matters must be passed by a Special Resolution. Meetings of Unitholders will be called and held annually for the election of the nominees of the Fund to serve as directors of Rogers and the appointment of auditors of the Fund.

A meeting of Unitholders may be convened at any time and for any purpose by the Administrator or the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 10% of the Trust Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxyholder need not be a Unitholder. Two persons present in person or evidenced by proxy and evidencing in the aggregate at least 10% of the votes attached to all outstanding Trust Units shall constitute a quorum for the transaction of business at all such meetings.

Notice of a meeting of Unitholders must be provided to Unitholders and, if any Debentures are then outstanding, the trustee under the Debenture Indenture, at least 45 days before the meeting. Such notice shall specify the nature of the business to be transacted at such meeting in sufficient detail to permit Unitholders to form a reasoned judgment thereon. The record date for meetings of Unitholders shall be at least 15 days prior to the meeting date. For so long as any of the Debentures are outstanding, all resolutions of Unitholders must be passed at a meeting of Unitholders rather than being approved in writing.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act. Accordingly, the Declaration of Trust provides that at no time may non-residents of Canada be the beneficial owners of a majority of the Trust Units. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units and Trust Unit Instalment Receipts are resident. If the Trustee becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration that the beneficial purchaser or transferee, as the case may be, is not a non-resident. If, notwithstanding the foregoing, the Trustees determine that a majority of the Trust Units are held by non-residents, the Trustees may send a notice to non-resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustee with satisfactory evidence that the beneficial owners are not non-residents within such period, the Trustees may on behalf of such Unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected holders shall cease to be holders of Trust Units and their rights shall be limited to receiving the net proceeds of such sale.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by Special Resolution of the Unitholders.

The Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Fund;

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders; and

(d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in Canadian taxation laws.

Term of the Fund

The Fund has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on September 15, 1997. On a date selected by the Trustees which is not more than two years prior to the expiry of the term of the Fund, the Trustees are obligated to commence to wind up the affairs of the Fund so that it will terminate on the expiration of the term. In addition, at any time prior to the expiry of the term of the Fund, the Unitholders may by Special Resolution require the Trustees to commence to wind up the affairs of the Fund.

The Declaration of Trust provides that, upon being required to commence to wind up the affairs of the Fund, the Trustees will give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Trust Units for cancellation and the date at which the register of Trust Units will be closed. After the date the register is closed, the Trustees shall proceed to wind up the affairs of the Fund as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Unitholders, sell and convert into money Common Shares and Notes of Rogers and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees shall distribute the remaining part of the proceeds of the sale of the Common Shares and Notes of Rogers and other assets together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their *pro rata* interests. If the Trustees are unable to sell all or any of the Common Shares or Notes of Rogers or other assets which comprise part of the Fund by the date set for termination, the Trustees may distribute the remaining Common Shares or Notes of Rogers or other assets directly to the Unitholders in accordance with their *pro rata* interests subject to obtaining all required regulatory approvals.

Take-over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for the Trust Units and not less than 90% of the Trust Units (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by Unitholders who did not accept the take-over bid on the terms offered by the offeror.

Exercise of Certain Voting Rights Attached to Securities of Rogers

The Declaration of Trust provides that the Fund shall not vote its Common Shares and Notes to authorize, among other things:

(a) any sale, lease or other disposition of all or substantially all of the assets of Rogers, except in conjunction with an internal reorganization;

(b) any amalgamation, arrangement or other merger of Rogers with any other corporation, except in conjunction with an internal reorganization;

(c) any material amendment to the Note Indenture; and

(d) any material amendment to the articles of Rogers to change the authorized share capital in a manner which may be prejudicial to the Fund or amend the rights, privileges and conditions attached to any class of shares of Rogers,

without the authorization of the Unitholders by Special Resolution.

Information and Reports

The Fund will furnish to Unitholders such financial statements of the Fund (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Unitholders, the Trustee will provide the Unitholders (along with notice of such meeting) all such information as is required by applicable law to be provided to such holders.

Rogers has undertaken to provide the Fund with (i) a report of any material change that occurs in the affairs of Rogers in form and content that it would file with applicable regulatory authorities as if it were a reporting issuer; and (ii) all financial statements that it would be required to file with applicable regulatory authorities as if it were a reporting issuer under applicable securities laws. All such reports and statements will be provided to the Fund in a timely manner so as to permit the Fund to comply with the continuous disclosure requirements relating to reports of material changes in its affairs and the delivery of financial statements as required under applicable securities laws.

CONSOLIDATED CAPITALIZATION OF THE FUND

The following table sets forth the consolidated capitalization of the Fund as at ● , 1997 after giving effect to this offering and the Reorganization:

Designation	Authorized	As at September 15 1997	As at ● , 1997 after giving effect to this offering and the Reorganization (2)
Trust Units (1)	Unlimited	$10 (1 Trust Unit)	$ ● (● Trust Units)

Notes:

(1) The Fund was initially settled on September 15, 1997 with $10.

(2) Contemporaneously with the closing of this offering, the Fund will issue and sell a minimum of 15,000 Trust Units and a maximum of 30,000 Trust Units to employees of Rogers and its affiliates and to seed capital investors for the purpose of qualifying the Fund as a mutual fund trust under the Tax Act.

DETAILS OF THE OFFERING

The offering consists of $ ● million aggregate principal amount of Debentures which are being sold by the Selling Debentureholder on an instalment basis. Prior to receipt by the Custodian of the final instalment, beneficial ownership of the Debentures will be evidenced by Debenture Instalment Receipts and the Debentures will be pledged by the Underwriters to the Selling Debentureholder pursuant to the terms of the Instalment Receipt Agreement. If Debentures are exchanged for Trust Units prior to payment of the final instalment in respect thereof, the beneficial ownership of the Trust Units will be evidenced by Trust Unit Instalment Receipts and will be subject to the pledge. Upon due payment of the final instalment pursuant to the Instalment Receipt Agreement, registered holders of Instalment Receipts will become registered holders of the Debentures or the Trust Units, as the case may be.

Instalment Receipts

The following is a summary of the material attributes and characteristics of the Instalment Receipts and the rights and obligations of registered holders thereof. This summary does not purport to be complete and reference is made to the Instalment Receipt Agreement. For the purposes of this description of the material attributes and characteristics of the Instalment Receipts, a "holder" means, unless the context otherwise requires, a person who is shown on the register of holders of Debenture Instalment Receipts or the register of holders of Trust Unit Instalment Receipts maintained under the Instalment Receipt Agreement. Copies of the Instalment Receipt Agreement will be available for inspection at the principal stock and bond transfer offices of the Custodian in Toronto and Vancouver.

The initial instalment of $600 per $1,000 principal amount of Debentures is payable on the closing of this offering which is expected to occur on or about ● , 1997 and the final instalment of $400 per $1,000 principal amount of Debentures (or, following the exercise of the Exchange Right, the final instalment of $4.00 per Trust Unit) is payable on or before the first anniversary of the closing of this offering (the "Final Instalment Date"). The final instalment payment must be received by the Custodian no later than 4:00 p.m. (local time) at the place of payment on the Final Instalment Date.

Holders of Instalment Receipts will be bound by the terms of the Instalment Receipt Agreement. The Security Agent will be granted, as agent of the Selling Debentureholder, a security interest in the Debentures offered hereby at closing subject to the terms of the Instalment Receipt Agreement. The security interest will extend to any Trust Units for which a Debenture is exchanged until the final instalment in respect thereof is paid. By acquiring and holding an Instalment Receipt, the holder thereof acknowledges that the Debentures or Trust Units, as the case may be, evidenced thereby will be held as continuing security for the obligations of such holder to pay the unpaid final instalment and other amounts payable under the Instalment Receipt Agreement and that the security interest will remain in effect and be binding and effective notwithstanding any transfer of or other dealings with the Instalment Receipt and the rights evidenced or arising thereby.

An Instalment Receipt will, among other things, evidence the fact that the initial instalment has been paid in respect of the number of Debentures or Trust Units, as the case may be, specified therein and the right of the holder thereof, subject to compliance with the provisions of the Instalment Receipt Agreement, to become the registered holder of such Debentures or Trust Units upon payment in full of the final instalment with respect to such Debentures or Trust Units.

By becoming a holder of an Instalment Receipt, a person will be deemed to have assumed the obligation to pay the final instalment and to beneficially own the Debentures or Trust Units, as the case may be, evidenced by the Instalment Receipt, subject to the pledge of such Debentures or Trust Units to the Selling Debentureholder which secures such obligation.

The Instalment Receipt Agreement will require the Custodian to mail to the holders of Instalment Receipts, as determined on a date being not more than 14 days before the date of mailing, a notice of the Final Instalment Date and the amount of the final instalment not less than 30 days prior to the Final Instalment Date. Payment of the final instalment is required when due whether or not a holder of Instalment Receipts receives a notice of the Final Instalment Date from the Custodian. Subject to compliance with the provisions of the Instalment Receipt Agreement, as soon as practicable after timely payment of the final instalment, the Debentures or Trust Units, as the case may be, evidenced thereby will be registered in the name of, and a certificate evidencing Debentures or Trust Units will be forwarded to, the holder of the Instalment Receipt without additional charge.

A holder of an Instalment Receipt will be entitled to make payment, in accordance with the provisions of the Instalment Receipt Agreement, of the final instalment at any time prior to the Final Instalment Date and thereby become the registered holder of the Debentures or Trust Units evidenced thereby.

Rights and Privileges

Under the Instalment Receipt Agreement, holders of Instalment Receipts will have the same rights and privileges, and will be subject to the same limitations, as registered holders of Debentures or Trust Units, as the case may be, except for certain rights and privileges, described below, which are limited under the Instalment Receipt Agreement in order to protect the value of the collateral secured by the security interest granted to the Selling Debentureholder over the Debentures or Trust Units evidenced by the Instalment Receipts or except where the exercise of such rights and privileges would not be practicable. In particular, a holder of Debenture Instalment Receipts will be entitled under arrangements through the Custodian, in the manner set forth in the Instalment Receipt Agreement, to receive interest on the Debentures evidenced by Debenture Instalment Receipts and to exercise the votes attached to the Debentures evidenced by such Debenture Instalment Receipts. A holder of Trust Unit Instalment Receipts will be entitled, unless the holder has defaulted on its obligations thereunder, to participate fully in all distributions in respect of the Trust Units evidenced by such Trust Unit Instalment Receipts, to exercise the votes attached to the Trust Units evidenced by such Trust Unit Instalment Receipts, and to receive periodic reports and other materials in like manner as if it were the registered holder of the Trust Units.

In particular, the Instalment Receipt Agreement will provide that distributions on Trust Units which are payable in cash (other than Excess Distributions, as defined below) to Unitholders of record on or before the Final Instalment Date will be remitted net of any applicable withholding taxes, to persons who, on the applicable Record Date in respect of such Trust Units, are holders of Instalment Receipts evidencing such Trust Units. "Excess Distributions" means the amount, if any, by which, in the 12-month period ending on the first anniversary of the closing of this offering, the aggregate of all cash distributions paid in respect of the Trust Units exceeds $ ● per Trust Unit. Distributions in respect of Trust Units paid in additional Trust Units will be registered in the name of the Security Agent and will be held by the Security Agent as security for the performance of the obligations of the holders of Trust Unit Instalment Receipts to pay the final instalment, and upon payment of the final instalment shall be distributed to the holders according to their entitlement. The Fund will covenant in the Instalment Receipt Agreement that, until the Final Instalment Date, it will not:

(a) distribute Excess Distributions;

(b) issue or distribute to all, or substantially all, of the holders of Trust Units, any: (i) securities; (ii) options, rights or warrants to purchase any securities; (iii) securities convertible into or exchangeable for securities, property or other assets; (iv) evidence of indebtedness; or (v) any property or assets (other than cash distributions and distributions of additional Trust Units), whether of the Fund or of any other person;

(c) subdivide, consolidate (except as specifically contemplated in the Declaration of Trust), reclassify or make any other change in the Trust Units or effect any reorganization, arrangement, merger, transfer or sale of all, or substantially all, of its assets, or any other similar transaction affecting the Fund or its Trust Units; or

(d) waive the $200,000 per month maximum amount of Trust Unit redemptions.

Any cash payment made by Onex in satisfaction of the Redemption Value on redemption of Debentures evidenced by Debenture Instalment Receipts will remain subject to the pledge pursuant to the Instalment Receipt Agreement until the holders pay their final instalment. Holders of Trust Unit Instalment Receipts may exercise their right to have the Fund redeem their Trust Units on demand. However, the cash Redemption Price or the *in specie* distribution paid on redemption will remain subject to the pledge pursuant to the Instalment Receipt Agreement until the holders pay their final instalment.

Transfer of Instalment Receipts

Transfers of Instalment Receipts will be registerable at the principal stock and bond transfer offices of the Custodian in Toronto and Vancouver. Upon registration of the transfer of an Instalment Receipt, the transferee will acquire the transferor's rights, subject to the pledge in favour of the Custodian, and become subject to the obligations of a holder of Instalment Receipts under the Instalment Receipt Agreement, including the assumption by the transferee of the obligation to pay the final instalment. The person requesting the transfer of an Instalment Receipt is deemed to warrant such person's authority to do so as or on behalf of the transferee. Upon registration of the transfer, the transferor will cease to have any further rights or obligations thereunder (other than certain obligations specified in the Instalment Receipt Agreement). No transfer of an Instalment Receipt tendered after the Final Instalment Date will be accepted for registration (subject to certain exceptions applicable to intermediaries holding Instalment Receipts on behalf of non-registered holders).

Liability of Instalment Receipt Holders

Pursuant to the Instalment Receipt Agreement, the Underwriters will pledge the Debentures purchased on an instalment basis to secure payment of the final instalment. If payment of the final instalment is not duly received by the Custodian from a holder of Instalment Receipts when due, the Instalment Receipt Agreement will provide that (except as set out below) any Debentures (and any securities or property substituted therefor or in addition thereto including, without limitation, Trust Units for which Debentures may be exchanged) then remaining pledged under the Instalment Receipt Agreement in respect of such Instalment Receipts, may, at the option of the Selling Debentureholder, subject to complying with applicable law, be acquired by the Selling Debentureholder in full satisfaction of the obligations of such holder of Instalment Receipts secured thereby. The Instalment Receipt Agreement will further provide that the Selling Debentureholder may direct the Custodian to sell the Debentures or Trust Units (and any securities or property substituted therefor or in addition thereto) in respect of which payment of the final instalment was not duly received, in accordance with the requirements of applicable law and the Instalment Receipt Agreement, and remit to the holder of the Instalment Receipt the holder's *pro rata* portion of the proceeds of such sale after deducting therefrom the amount of the unpaid final instalment together with the holder's *pro rata* portion of the costs of such sale, which costs shall not in any event exceed $25 per $1,000 principal amount of Debentures or $1.00 per Trust Unit, as the case may be. Notwithstanding the foregoing, in the event that payment of the final instalment in respect of an aggregate of less than 5% of the principal amount of Debentures (including Debentures exchanged for Trust Units) evidenced by Instalment Receipts has not been duly received by the Custodian when due, the Custodian must sell the Debentures and/or Trust Units (and any securities or property substituted therefor or in addition thereto) in respect of which payment of the final instalment was not duly received and apply the proceeds of such sale in the manner described above. **The Instalment Receipt Agreement will provide that unless the Selling Debentureholder shall have acquired the Debentures and Trust Units (and any securities or property substituted therefor or in addition thereto) in full satisfaction of the obligations of a holder of Instalment Receipts, the foregoing shall not limit any other remedies available to the Selling Debentureholder against such holder in the event the proceeds of such sale are insufficient to cover the amount of the final instalment and the costs of sale (such costs of sale not to exceed $25 per $1,000 principal amount of Debentures or $1.00 per Trust Unit, as the case may be) and, accordingly, such holder shall in such circumstances remain liable to the Selling Debentureholder for any such deficiency.**

General Information Regarding the Instalment Receipts

The Custodian may require holders of Instalment Receipts from time to time to furnish such information and documents as may be necessary or appropriate to comply with any fiscal or other laws or regulations relating to the Debentures or the Trust Units or to the rights and obligations evidenced by Instalment Receipts. The Custodian and the Security Agent shall not be responsible for any taxes, duties, governmental charges or expenses which are or may become payable in respect of the Debentures, Trust Units or Instalment Receipts. In this regard, the Custodian and the Security Agent shall be entitled to deduct or withhold from any payment or other distribution required or contemplated by the Instalment Receipt Agreement such money or property, or to require holders of Instalment Receipts to make any required payments, and to withhold delivery of certificates evidencing the Debentures or the Trust Units, as the case may be, from defaulting holders until satisfactory provision for payment is made in respect of any taxes, duties or other governmental charges or expenses required by applicable law to be withheld or paid.

The Selling Debentureholder will be liable for charges and expenses of the Custodian and the Security Agent except for any taxes, duties and other governmental charges which may be payable by holders of Instalment Receipts as described above.

Apart from changes which do not materially prejudice the holders of Debenture Instalment Receipts as a group or the holders of Trust Unit Instalment Receipts as a group (which may be made without the consent of such holders), the Instalment Receipt Agreement may not be amended without the affirmative vote of the holders entitled to not less than 66⅔% of the aggregate principal amount of Debentures evidenced by Debenture Instalment Receipts or of the holders entitled to not less than 66⅔% of the aggregate number of Trust Units evidenced by Trust Unit Instalment Receipts which in each case are represented and voted at a meeting duly called for that purpose. The procedure for such meetings will be substantially similar to that governing meetings of the holders of the Debentures.

Debentures

The Debentures will be issued under a trust indenture (the "Debenture Indenture") to be dated as of ● , 1997 and made between Onex and Montreal Trust Company of Canada, as trustee. This summary does not purport to be complete. Reference is made to the Debenture Indenture for the full text of such attributes and characteristics.

The Debentures will be issuable only as fully registered Debentures in denominations of $1,000 and integral multiples thereof.

The Debentures will be direct, unsubordinated obligations of Onex. Onex will pledge to the Custodian the Underlying Debentures to secure its obligation to deliver Trust Units upon the exercise by a Debentureholder of the holder's Exchange Right. The Selling Debentureholder and BAI will pledge to the Custodian the Trust Units to secure their obligations to deliver Trust Units on the exercise by Onex of the exchange rights under the Underlying Debentures. The right of the Debentureholders to the Underlying Debentures and the Trust Units pledged to secure such obligation will be unsubordinated. The Debenture Indenture will not restrict Onex from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its property to secure any indebtedness.

Maturity and Interest

The Debentures will be dated ● , 1997 and will mature on ● , 2007 and will bear interest at ● % per annum, payable in quarterly instalments on the Quarterly Payment Dates, commencing on January 15, 1998. Onex's obligation to pay interest on any Quarterly Payment Date will be limited if the amount of cash distributions on the Trust Units held by the Selling Debentureholder and BAI is less than the interest payment due by Onex on such Quarterly Payment Date. In this event, Onex may elect to defer payment of interest in excess of $2.50 per $1,000 principal amount of Debentures per quarter on a *pro rata* basis to the extent of the shortfall. Deferred interest will accrue. If Onex receives more cash in a subsequent quarter in respect of cash distributions paid on the Trust Units held by the Selling Debentureholder and BAI than is necessary to fully fund the interest payment due on the next Quarterly Payment Date, Onex will apply any surplus toward payment of accrued interest until such accrued interest is paid. So long as any Debentures remain outstanding, Rogers does not intend to make payments to the Fund that would result in a cash distribution per Trust Unit on the next Quarterly Payment Date in excess of $ ● per Trust Unit, unless Onex has provided not less than 90 days' advance notice of such payment to the Debentureholders to permit them to exercise the Exchange Right, acquire Trust Units and receive such distribution from the Fund.

The interest on the Debentures will be payable in lawful money of Canada at any branch in Canada of the chartered bank to be specified in the Debenture Indenture. The first interest payment will be made on January 15, 1998 and will represent accrued interest for the period from ● , 1997 to December 31, 1997. Subsequent quarterly interest payments will be in an amount not exceeding $ ● per $1,000 principal amount of Debentures. Based on a first instalment of $600 per $1,000 principal amount of Debentures, the effective yield to September 30, 1998 on the Debentures is forecast to be approximately ● %.

Cash Pool

Upon the issuance of the Common Shares, Rogers will deposit $16.0 million with Montreal Trust Company of Canada, as collateral agent. These funds, together with interest earned thereon, will be used by Rogers to make cash distributions, upon the approval of the members of Rogers' board of directors who are nominees of the Fund, on the Notes and Common Shares held by the Fund if the cash distributions Rogers would otherwise make to the Fund would be insufficient to enable the Fund to make cash distributions per Trust Unit of at least $ ● per quarter. The cash pool has been created to provide additional cash distributions to Unitholders so that they may receive the immediate benefit of the expected cash flow from the Taber beet sugar facility expansion. Rogers estimates that $9.8 million of the cash pool will be used for this purpose, of which $6.6 million is expected to be used during the 1998 forecast period. The cash pool, together with interest earned thereon, will in any event be distributed in full to Unitholders by no later than the end of fiscal 2000. There can be no assurance, however, that Rogers will be in a position to distribute sufficient cash to the Fund or that the Fund will be able to distribute sufficient cash on the Trust Units held by the Selling Debentureholder and BAI thereby enabling Onex to pay the full amount of interest on the Debentures on each Quarterly Payment Date. See "Description of Share and Loan Capital of Rogers — Distribution Policy", "Use of Proceeds", and "Risk Factors".

Payment upon Maturity

On maturity, Onex will repay the indebtedness represented by the Debentures by paying the Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures ("the Maturity Value") plus accrued and unpaid interest due from Onex. Onex may, at its option on not more than 60 and not less than 30 days' prior notice and subject to applicable regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures on maturity by delivery in respect of each $1,000 principal amount of Debentures of that number of freely tradeable Trust Units with a value, based on the Current Market Price per Trust Unit on the Maturity Date of the Debentures equal to the Maturity Value, or an amount in cash equal to the Maturity Value.

Exchange Right

Subsequent to the later of (i) the date on which the Fund has become a "reporting issuer" in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and (ii) the earlier of 90 days after closing and a date to be determined by the Underwriters, each $1,000 principal amount of Debentures will be exchangeable at the option of the holder for 100 Trust Units (the "Exchange Rate"), subject to adjustment upon the occurrence of certain events. Upon the exchange of Debentures for Trust Units prior to full payment therefor, the Debenture Instalment Receipts evidencing beneficial ownership of such Debentures will be exchanged for Trust Unit Instalment Receipts evidencing beneficial ownership of Trust Units.

Subject to the provisions thereof, the Debenture Indenture will provide for the adjustment of the Exchange Rate in certain events including: (a) the subdivision or consolidation of the outstanding Trust Units; (b) the distribution of Trust Units to holders of Trust Units; (c) the issuance of options, rights or warrants to holders of Trust Units entitling them to acquire Trust Units or other securities convertible into Trust Units at less than 95% of the then Current Market Price (as defined in the Debenture Indenture) of the Trust Units; and (d) the distribution to all holders of Trust Units of any securities or assets (other than cash distributions and equivalent distributions in Trust Units paid in lieu of cash distributions in the ordinary course). Onex will not be required to make adjustments in the Exchange Rate unless the cumulative effect of such adjustments would change the conversion price by at least 1%.

No fractional Trust Units will be acquired on any exchange but in lieu thereof Onex shall satisfy such fractional interest by a cash payment equal to the market price of such fractional interest.

In order to ensure that the Fund maintains its status as a mutual fund trust under the Tax Act, Onex will be entitled to require declarations as to the jurisdictions in which beneficial owners of Debentures being exchanged are resident and to decline to exchange Trust Units for Debentures in circumstances where the exchange may cause the Fund to lose such status. See "Description of the Fund — Limitation on Non-Resident Ownership".

Notice of Meetings of Unitholders

While any Debentures are outstanding, the Trustees of the Fund are required to send any notice calling a meeting of Unitholders to the trustee under the Debenture Indenture. The trustee shall inform the Debentureholders of the calling of such meeting by forwarding a copy of such notice to the Debentureholders as soon as practicable after receipt. For so long as any of the Debentures are outstanding, all resolutions of Unitholders must be passed at a meeting of Unitholders rather than being approved in writing.

Redemption and Purchase

The Debentures are not redeemable prior to the earlier of (i) ● , 2000 and (ii) the date on which less than $ ● aggregate principal amount of Debentures remain outstanding. At any time on or after such date, the Debentures may be redeemed by Onex on not less than 60 days' prior notice for a cash payment (or at Onex's option, by delivery of Trust Units or Trust Unit Instalment Receipts having a Current Market Price, at the time of payment) equal to their principal amount (the "Redemption Value"). At the option of Onex, the Redemption Value may be satisfied in respect of each $1,000 principal amount of Debentures by delivery of the RSIF Unit Payment or payment of the RSIF Cash Payment on any combination thereof without payment of accrued but unpaid interest.

On and after the Final Instalment Date, Onex will have the right to purchase Debentures in the open market or by tender or by private contract at any price.

Modification and Mandatory Exchange of Debentures

The rights of the holders of the Debentures may be modified. For that purpose, among others, the Debenture Indenture will contain certain provisions which will make binding on all Debentureholders resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the Debentures represented thereat, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the Debentures. As well, a resolution passed at a meeting of the holders of Debentures by votes cast thereat by holders of not less than a majority of the principal amount of the Debentures represented thereat, or rendered by instruments in writing signed by the holders of not less than a majority of the principal amount of the Debentures represented thereat, in favour of exchanging all outstanding Debentures for Trust Units will be binding on all Debentureholders. A meeting of Debentureholders must be called on notice of at least 45 days.

Events of Default

The Debenture Indenture will provide that, upon the occurrence of an Event of Default (as defined therein) which is continuing, the trustee under the Debenture Indenture or holders of not less than 25% in aggregate principal amount of Debentures will be entitled to demand payment ("Acceleration") of the principal amount of the Debentures. In connection with any such repayment following a Bankruptcy Event of Default, Onex, subject to the right of Debentureholders to exercise their right to exchange as described above under "Exchange Right", will be obligated to repay the Debentures by the payment of an amount (the "Default Amount") equal to the principal amount of the Debentures, plus all accrued but unpaid interest to the date of payment. Onex shall be entitled to pay the Default Amount through the delivery of that number of Trust Units having a Current Market Price at that time not less than the Default Amount or by any combination thereof, provided that any amount paid in respect of accrued but unpaid interest on the Debentures shall be paid in cash and provided further that Onex shall withhold all applicable withholding taxes.

If an Event of Default occurs in respect of which the trustee under the Debenture Indenture intends to declare an Acceleration as described above, the trustee under the Debenture Indenture shall give Debentureholders seven days' prior notice of such Acceleration, or such shorter period of notice as may be prudent given the nature of such Event of Default, which notice will also state that the trustee, on behalf of all Debentureholders from whom the trustee has not received contrary written instructions by 5:00 p.m. (Toronto time) on the business day preceding the date of such intended Acceleration, shall exercise the right of exchange of such Debentureholders.

Under the Debenture Indenture, an "Event of Default" will include the occurrence of the following, subject in certain cases to remedial time periods:

(a) Onex failing to make payment, when such payments become due, of the principal amount of or interest on any Debenture and such default having continued for five days, in the case of principal, or 30 days, in the case of interest which Onex was not then entitled to defer;

(b) certain events of bankruptcy, insolvency, winding-up, liquidation or dissolution occurring with respect to Onex (collectively, a "Bankruptcy Event of Default");

(c) an encumbrancer legally taking possession of the property of Onex or any part thereof which is, in the opinion of the trustee under the Debenture Indenture, a substantial and material part thereof or a distress or execution or any similar process being levied or enforced against such property and remaining unsatisfied for such period as would permit such property or such part thereof to be sold thereunder; or

(d) Onex neglecting to carry out or observe any other covenant or condition contained in the Debenture Indenture.

PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Underwriting Agreement") dated ● , 1997, among Onex, the Selling Debentureholder, Balaclava and the Underwriters, the Selling Debentureholder has agreed to sell and the Underwriters have severally agreed to purchase, on ● , 1997 or such other date as may be agreed to but not later than ● , 1997, an aggregate principal amount of $ ● of Debentures being sold on an instalment basis at a purchase price of $1,000 per $1,000 principal amount of Debentures, for an aggregate consideration of $ ● plus accrued interest, if any, from ● , 1997 to the closing of this offering. The initial instalment of $600 per $1,000 principal amount of Debentures is payable on the closing of this offering and the final instalment of $400 per $1,000 principal amount of Debentures is payable on or before the Final Instalment Date. The Underwriters will receive a fee of $ ● per $1,000 principal amount of Debentures on the closing of this offering.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of such Debentures are purchased under the Underwriting Agreement.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution under this prospectus, bid for or purchase Debentures, Instalment Receipts or Trust Units. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of The Toronto Stock Exchange relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, the Underwriters may, in connection with this offering, over-allot or effect transactions which stabilize or maintain the market price of the Debentures, Instalment Receipts or Trust Units at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Debentures, the Trust Units and the Instalment Receipts have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S promulgated under such Act).

Prior to this offering, there was no market through which the Debentures, the Instalment Receipts or the Trust Units could be sold. Accordingly, the terms of the Debentures evidenced by the Debenture Instalment Receipts were determined by negotiation between Onex, the Selling Debentureholder and the Underwriters.

ScotiaMcLeod Inc. ("SMI"), one of the Underwriters, is a wholly-owned subsidiary of a Canadian chartered bank (the "Bank") that provided credit facilities (the "Acquisition Facilities") to OMI LP and BAI to fund the acquisition by BCS of all of the outstanding shares of BC Sugar. A portion of the proceeds of approximately $ ● from the sale of the Debentures (including amounts realized in respect of the final instalments) will be used indirectly to repay the Acquisition Facilities. See "Rogers Sugar Income Fund — Acquisition and Reorganization of Rogers" and "Use of Proceeds". The Bank has also provided commitment letters with respect to the Credit Facility to be put in place at the closing of this offering (see "Share and Loan Capital of Rogers — Credit Facilities") and the purchase of or lending against the final instalments due to the Selling Debentureholder.

The decision to issue the Debentures, including the determination of the terms of the distribution, was made through negotiations between Onex, the Selling Debentureholder and the Underwriters. As a consequence of this offering, SMI will receive its share of the Underwriters' fee and the Bank will receive a portion of the proceeds of this offering as a repayment of the Acquisition Facilities.

An Underwriter other than SMI has agreed under the Underwriting Agreement to act as underwriter in respect of 25% of the offering. The other Underwriters have each agreed to act as underwriter in respect of a portion of the remaining 45% of the offering.

USE OF PROCEEDS

The net proceeds of approximately $ ● from the initial instalment on the sale of the Debentures (including amounts realized in respect of the final instalments) will be used indirectly, through the acquisition of the Underlying Debentures, to acquire Trust Units and then by the Fund to acquire the Common Shares and Notes. The proceeds from the issuance of the Common Shares and Notes will be used by Rogers to fund a return of the capital on the Class A Shares and the Class B Shares of Rogers to be acquired pursuant to the Reorganization by OMI LP and BAI, the proceeds from which will be used to repay the Acquisition Facilities arranged by OMI LP and BAI with a Canadian chartered bank to fund the acquisition by BCS of all of the outstanding shares of BC Sugar.

RISK FACTORS

An investment in the securities offered hereby involves a number of risks. In addition to the other information contained in this prospectus, prospective purchasers should give careful consideration to the following factors.

Comparison to Other Debt Securities: Relationship to the Fund

The terms of the Debentures differ in some respects from those of certain other debt securities in that a holder of the Debentures will receive upon exchange and may receive upon redemption a fixed number of Trust Units calculated on the basis of the Exchange Rate or a cash payment based on the Current Market Price (as defined under "Details of the Offering — Debentures — Exchange Right; — Redemption and Purchase") of such number of Trust Units or a combination thereof. Accordingly, there can be no assurance that the value of the Trust Units and/or the cash that will be or may be receivable by such holder upon exchange or redemption will be equal to or greater than the principal amount of the Debentures, plus accrued but unpaid interest. If the Current Market Price of Trust Units that will be or may be receivable at the time of exchange or redemption is less than $10.00, the Trust Units or cash receivable will have a value that is less than the principal amount paid for the Debentures in this offering, in which case an investment in the Debentures may result in a loss.

Trading Price of Debentures and Trust Units

The trading price of the Debentures may vary considerably due to, among other things, fluctuations in the price of Trust Units and other events that are difficult to predict. The trading price of the Trust Units will be influenced by Rogers' operational results and by complex and interrelated political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which Trust Units are traded and the market segment of which Rogers is a part.

Deferral of Interest

Onex may defer part of the interest payments due on the Debentures at any given Quarterly Payment Date. Onex will only be required to pay interest in excess of $2.50 per Debenture on any Quarterly Payment Date to the extent cash distributions are paid on the Trust Units held by the Selling Debentureholder and BAI. The cash distributions of the Fund will be entirely dependent upon the operations and assets of Rogers through the Fund's ownership of the Common Shares and the Notes. Accordingly, the interest payments to holders of the Debentures in excess of $2.50 per $1,000 per principal amount of Debentures per quarter will ultimately be dependent upon the ability of Rogers to pay its interest obligations on the Notes and to declare and pay dividends or return capital on the Common Shares.

Tax Considerations

If in any year interest on the Debentures is deferred by Onex, shareholders may nevertheless be required to include such deferred interest in income for that year for purposes of the Tax Act. The tax consequences to a holder of Trust Units, including Trust Units evidenced by Instalment Receipts, may be adversely affected if the Fund is not a mutual fund trust for purposes of the Tax Act, or if the Fund is considered to have been established or maintained primarily for the benefit of non-residents of Canada.

Certain Legal Considerations

At present, upon the Fund becoming a "reporting issuer" under certain Canadian provincial securities laws, any Trust Units delivered pursuant to the exchange or redemption of Debentures, or at maturity, will be freely tradeable without the need for a prospectus or a prospectus exemption under Canadian securities laws. In the absence of the Fund becoming a reporting issuer or the availability of a prospectus exemption under Canadian securities laws, the holders of outstanding Debentures will receive from Onex, in lieu of Trust Units, the requisite cash amount. Shortly after closing, the Fund will file a non-offering prospectus with the applicable Canadian provincial securities regulatory authorities for the purpose of becoming a reporting issuer under applicable laws.

Trust Units acquired upon exchange or redemption or at maturity may be subject to provisions in respect of resale requiring that the Fund shall have continued to be a reporting issuer not in default of applicable securities legislation. The Trust Units may also be subject to restrictions governing sales by persons holding sufficient Trust Units to affect materially the control of the Fund.

Dependence upon Rogers

The Fund is an open-ended, limited purpose trust which will be entirely dependent upon the operations and assets of Rogers through its ownership of securities of Rogers. Accordingly, the cash distributions to the Unitholders and, therefore, the cash available to Onex to pay interest on the Debentures will be dependent upon the ability of Rogers to pay its interest obligations under the Notes and to declare and pay dividends on or return capital in respect of the Common Shares. Rogers may defer payment of interest on the Notes at any given time for a period of up to 18 months.

Sugar Industry

The Company's business and operations are substantially affected by many factors, including prevailing margins on refined sugar, weather conditions, Rogers' ability to market its sugar competitively, operating costs and government programs and regulations.

Fluctuations in Margins

The Company's profitability is principally affected by the margins on domestic refined sugar. In turn, this price is affected by a variety of market factors such as competition, government regulation and foreign trade policies. As a direct result of these factors, the margins on domestic refined sugar decreased in fiscal 1996. The Company is unable to predict the fluctuations in the margins on domestic refined sugar and the resulting impact that they may have on Rogers' profitability.

Weather and Other Factors Related to Production

Sugar beets, as with most other crops, are affected by weather conditions during the growing season. Additionally, weather conditions during the processing season could affect Rogers' sugar yield of beets stored for processing. A significant reduction in the quantity or quality of sugar beets harvested due to adverse weather conditions, disease or other factors could result in decreased production, with adverse financial consequences to Rogers.

Competition

Rogers has sugar operations in British Columbia and Alberta and faces competition in these provinces from other producers and smaller regional distributors of both foreign and domestic refined sugar from other regions. Differences in proximity to various geographic areas within Canada and elsewhere result in differences in freight and shipping costs, which in turn affect pricing and competitiveness in general.

In addition to sugar, the overall sweetener market also includes corn-based sweeteners, such as HFCS, and non-nutritive, high-intensity sweeteners such as Aspartame. Differences in functional properties and prices have tended to define the use of these various sweeteners. For example, HFCS is limited to certain applications where a liquid sweetener can be used. Non-nutritive sweeteners presently do not provide the bulk and other physical properties of sugar. Although the various sweeteners are not interchangeable in all applications, the substitution of other sweeteners for sugar has occurred in certain products, such as soft drinks. The Company is not able to predict the availability, development or potential use of these sweeteners and their possible impact on operations of Rogers.

Operating Costs

Rogers uses large quantities of energy in its operations, principally for heating the cossettes, evaporating water from juices containing sugar, drying wet beet pulp and generating electrical power. Changes in the costs and sources of energy may effect financial results of Rogers' operations.

Government Regulation and Foreign Trade Policies

Prior to 1995, unfair trading practices of other countries' producers, such as the dumping of refined sugar and the export of subsidized production, placed margin pressure on the Canadian sugar industry. In 1995, imports of refined sugar into Canada from the United States and European Union countries were virtually eliminated as a result of the imposition of anti-dumpimg and countervailing duties by the Canadian government to protect the domestic sugar industry from injury caused by unfair trading practices of those countries' producers. See "Business of Rogers — The Sugar Industry — Government Regulation and Policy". The Company is unable to predict whether sugar producers in other countries will engage in unfair trading practices with respect to the export of refined sugar to Canada and what the response of the Canadian government will be. The importation of dumped or subsidized sugar into Canada could have a material adverse impact on the domestic sugar industry.

Dependence on Key Personnel

The Company's success will be substantially dependent on the continued services of Lantic. The loss of the services of Lantic could adversely affect Rogers' operating results. In addition, Rogers' continued growth depends on its ability to attract and retain skilled operating managers and employees and the ability of its key personnel to manage Rogers' growth and consolidate and integrate its operations. See "Management of Rogers".

Employee Relations

Certain of Rogers' operations are unionized. Strikes or lockouts could restrict Rogers' ability to service its customers in the affected regions, consequently affecting Rogers' revenues.

Environmental Matters

Rogers' operations are subject to environmental regulation imposed by federal, provincial and municipal governments in Canada, including those relating to the treatment and disposal of waste water and cooling water. These regulations have become progressively more stringent and the Company anticipates that trend continuing. Violation of these regulations can result in fines or other penalties. As well, liability to clean up or otherwise deal with contamination on or from Company properties or produced by Company operations can be imposed by environmental regulators.

Investment Eligibility

The Fund will endeavour to ensure that the Trust Units continue to be qualified investments for registered retirement savings plans, deferred profit sharing plans and registered retirement income funds. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments and there is no assurance that the conditions prescribed for such qualified investments will be adhered to at any particular time. See "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations".

Nature of Trust Units

Securities such as the Trust Units for which the Debentures may be exchanged are hybrids in that they share certain attributes common to both equity securities and debt instruments. The Trust Units do not represent a direct investment in Rogers' business and should not be viewed by investors as shares in Rogers. As holders of Trust Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring "oppression" or "derivative" actions. Each Trust Unit represents a fractional interest in the Fund. The Fund's primary assets will be the Common Shares and Notes of Rogers. The price per Trust Unit is expected to be a function of anticipated distributable income.

Absence of Prior Public Market and Liquidity at Secondary Market

Prior to this offering, there has been no public market for the Debentures, the Instalment Receipts or the Trust Units. The terms of the Debentures have been determined by negotiation between Onex, the Selling Debentureholder and the Underwriters based on several factors and may bear no relationship to the price at which the Debentures, the Trust Units or the Instalment Receipts will trade in the public market subsequent to this offering. There is currently no secondary market for the Debentures, the Instalment Receipts or the Trust Units. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of the Debentures, the Instalment Receipts or the Trust Units with liquidity of investment. See "Plan of Distribution".

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments in the Fund. Cash distributions in respect of redemptions are subject to limitations. See "Description of the Fund — Redemption Right". Common Shares and Notes of Rogers which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities. In addition, Common Shares and Notes of Rogers received as a result of a redemption of Trust Units may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans. See "Certain Canadian Federal Income Tax Considerations".

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability in connection with the Fund (other than with respect to the Instalment Receipts) or its assets or obligations and, in the event that a court determines that Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of the Fund's assets.

The Declaration of Trust further provides that the Trustees shall make all reasonable efforts to include, as a specific term of any obligations or liabilities being incurred by the Trustees on behalf of the Fund, a contractual provision to the effect that neither the Unitholders nor the Trustees have any personal liability or obligations in respect thereof. Certain agreements, including the Governance Agreement and the Administration Agreement, will contain such provisions. Personal liability may also arise in respect of claims against the Fund that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. As the Fund's activities are generally limited to investing in securities, the possibility of any personal liability of this nature arising is considered remote.

The operations of the Fund will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability on the Unitholders for claims against the Fund.

Distribution of Common Shares and Notes on Termination of the Fund

Upon termination of the Fund, the Trustees may distribute the Common Shares and Notes of Rogers directly to the Unitholders subject to obtaining all required regulatory approvals. There is currently no market for the Common Shares and Notes of Rogers. In addition, the Common Shares and Notes of Rogers are not freely tradeable and are not currently listed on any stock exchange. See "Description of the Fund — Term of the Fund".

Cash Distributions Are Not Guaranteed and May Fluctuate with Rogers' Performance

Although the Fund intends to distribute the interest and dividend income earned by the Fund and returns of capital received by the Fund less expenses and amounts, if any, paid by the Fund in connection with the redemption of Trust Units, there can be no assurance regarding the amounts of income to be generated by Rogers and paid to the Fund. The actual amount paid in respect of the Trust Units will depend upon numerous factors, including profitability, fluctuations in working capital, foreign currency exchange rates and capital expenditures and other factors beyond the control of the Fund and Rogers. Cash distributions are not guaranteed and will fluctuate with Rogers' performance. Rogers has the discretion to establish cash reserves for the proper conduct of its business. Adding to these reserves in any year will reduce the amount of cash available for distribution in that year. As a result, there can be no assurance regarding the actual levels of cash distributions by the Fund.

Management and Operation of Rogers

The board of directors of Rogers, in conjunction with Lantic, will manage and operate Rogers. As a result, holders of Trust Units will have limited say in matters affecting the operation of Rogers and, if such holders are in disagreement with the decisions of the board of directors of Rogers or Lantic, they have limited recourse. The control exercised by Lantic Capital over the board of directors of Rogers may make it more difficult for others to attempt to gain control of or influence the activities of Rogers. A termination of the Management Agreement and the Services Outsourcing Agreement will give rise to the payment by Rogers of certain fees to Lantic, except in certain limited circumstances.

The Fund May Issue Additional Trust Units Diluting Existing Unitholders

The Declaration of Trust authorizes the Trustees to cause the Fund to issue an unlimited number of Trust Units for such consideration and on such terms and conditions as shall be established by the Trustees without the approval of any Unitholders.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies, Ward & Beck, counsel to Onex and the Selling Debentureholder, and McCarthy Tétrault, counsel to the Underwriters, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder who acquires Debentures under this offering and who, for purposes of the Tax Act, is resident in Canada, holds the Debentures and any Trust Units acquired under the terms of the Debentures as capital property and deals with Onex, the Selling Debentureholder and the Fund at arm's length. Generally, Debentures and Trust Units will be considered to be capital property to a holder thereof provided that the holder does not use the Debentures or the Trust Units, as the case may be, in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Debentures or Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. For purposes of this summary, a reference to a "Debenture" includes a Debenture evidenced by a Debenture Instalment Receipt, and a reference to a "Trust Unit" includes a Trust Unit evidenced by a Trust Unit Instalment Receipt.

This summary is not applicable to a holder of Debentures or Trust Units that is a financial institution (as defined in the Tax Act for purposes of the mark-to-market rules), a specified financial institution, or a taxpayer an interest in which is a tax shelter investment (all as defined in the Tax Act).

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, including those introduced in the House of Commons but not enacted into law during the 2nd session of the 35th Parliament, and counsel's understanding of the current administrative practices of Revenue Canada in effect as of the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and it not intended to be legal or tax advice to any particular holder, and no representation with respect to the income tax consequences to any particular holder is made. Consequently, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Debentures and Trust Units. All payments to non-residents, whether in cash or Trust Units upon exchange or redemption or at maturity, and any interest on the Debentures, will be net of any applicable withholding taxes.

Debentures

Taxation of Interest

A Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year all interest that accrues to it on a Debenture to the end of that taxation year (including deferred interest) or that becomes receivable or is received by the holder before the end of that taxation year, except to the extent that such interest was included in computing the holder's income for a preceding taxation year. A Canadian-controlled private corporation (as defined in the Tax Act) also may be liable to pay a 6⅔% refundable tax on certain investment income including interest.

Any other Debentureholder will be required to include in computing income for a taxation year all interest on a Debenture that is received or receivable by the holder in that taxation year (depending upon the method regularly followed by the holder in computing income) and will be required to include in income any interest that accrued to the holder (including deferred interest) on a Debenture up to any anniversary day (as defined in the Tax Act) in that year to the extent that such amount was not otherwise included in the holder's income for that or a preceding taxation year.

Dispositions

A disposition or deemed disposition by a Debentureholder will generally result in the holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater than (or less than) the holder's adjusted cost base of the Debenture. In this regard, the cost to a holder of a Debenture evidenced by a Debenture Instalment Receipt will include all amounts paid or payable by the holder for such Debenture, including the amount of the final instalment, whether paid or unpaid. The proceeds of disposition to a holder who disposes of a Debenture evidenced by a Debenture Instalment Receipt will include the amount of any unpaid instalment.

Upon a disposition or deemed disposition, other than upon an exchange or redemption or at maturity, interest accrued on the Debenture to the date of disposition will be included in computing the Debentureholder's income for the year of disposition, except to the extent that it was included in computing the Debentureholder's income for that or a previous taxation year, and will be excluded from the Debentureholder's proceeds of disposition of the Debenture. Where a Debentureholder has disposed of a Debenture, the Debentureholder will be entitled to deduct in computing income for the year of disposition any amount that has been included in the Debentureholder's income as interest in respect of such Debenture for that year or any preceding year to the extent such amount exceeds the amount received or receivable by the Debentureholder in respect thereof.

Three-quarters of any capital gain realized by a holder will be required to be included in computing the holder's income as a taxable capital gain. Three-quarters of any capital loss realized by a holder may normally be deducted against taxable capital gains realized in the year of disposition or the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual may give rise to a liability for alternative minimum tax. A Canadian-controlled private corporation (as defined in the Tax Act) also may be liable to pay a 6⅔% refundable tax on certain investment income including taxable capital gains.

Where a Debenture evidenced by a Debenture Instalment Receipt is reacquired by the Selling Debentureholder or is sold by the Custodian as a consequence of the holder's failure to pay the final instalment, the holder may be subject to special rules in the Tax Act relating to the repossession by a seller of property previously sold or the settlement or forgiveness of debt.

Exercise of Exchange Right

A Debentureholder who exchanges a Debenture for Trust Units pursuant to the Exchange Right will be considered to dispose of the Debenture for proceeds of disposition equal to the fair market value of the Trust Units so acquired at the time of the exchange. The holder may realize a capital gain or capital loss computed as described above under "Dispositions". The cost to a Unitholder of Trust Units so acquired will be such fair market value.

Redemption or Repayment

If Onex redeems a Debenture prior to maturity or repays a Debenture upon maturity and the holder does not exercise the Exchange Right prior to such redemption or repayment, the holder will be considered to dispose of the Debenture for proceeds of disposition equal to the amount received by the holder (other than the amount received as interest) on such redemption or repayment. If the holder receives Trust Units on redemption or repayment, the holder will be considered to have proceeds of disposition equal to the fair market value of the Trust Units so received. The holder may realize a capital gain or capital loss computed as described above under "Dispositions". The cost to a Unitholder of Trust Units so received will be such fair market value.

Trust Units

Status of the Fund

The Fund currently qualifies as a unit trust (as defined in the Tax Act). This summary assumes that the Fund (i) will qualify as a mutual fund trust (as defined in the Tax Act) on completion of the offering of Debentures hereunder, and will thereafter continuously qualify as a mutual fund trust; (ii) will be able to elect to be deemed to be a mutual fund trust from the date it is established; and (iii) is not established or maintained primarily for the benefit of non-residents. Counsel is of the view that the foregoing assumptions are reasonable in light of the terms of the Declaration of Trust and the restrictions on the ownership of Trust Units by non-resident persons which are contained in the Declaration of Trust, and on the basis of the distribution of Trust Units to no fewer than 150 employees of Rogers and Lantic and to certain seed capital investors.

If the Fund were not to qualify as a mutual fund trust, the income tax considerations as described below would, in some respects, be materially different.

Taxation of the Fund

The taxation year of the Fund is the calendar year. In each taxation year, the Fund will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount.

The Fund will include in its income for each taxation year all interest on the Notes that accrues to the Fund to the end of that taxation year (including deferred interest), or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. Any amount paid to the Fund in respect of the Common Shares of Rogers as a return of capital for purposes of the Tax Act will generally not be included in the Fund's income but will reduce the adjusted cost base to the Fund of such shares. Dividends and deemed dividends received by the Fund will be subject to the rules normally applicable to dividends received from taxable Canadian corporations.

A distribution by the Fund of Notes or Common Shares of Rogers upon a redemption of Trust Units will be treated as a disposition by the Fund of the securities so distributed for proceeds of disposition equal to their fair market value. The Fund's proceeds from the disposition of Notes of Rogers will be reduced by any accrued but unpaid interest in respect thereof, which interest will generally be included in the Fund's income in the year of disposition to the extent it was not included in the Fund's income in a previous year. The Fund will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater than (or less than) the adjusted cost base of the relevant property.

In computing its income, the Fund may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income.

Under the Declaration of Trust, an amount equal to all of the income of the Fund, together with the non-taxable portion of any capital gain realized by the Fund, but excluding capital gains arising on a distribution *in specie* of Notes or Common Shares of Rogers on redemption of Trust Units, will be payable in the year to the holders of the Trust Units by way of cash distributions, subject to the exceptions described below. Under the Declaration of Trust, income of the Fund may also be used to finance redemptions of Trust Units for cash and accordingly would not be payable to Unitholders by way of cash distributions but rather will be payable in the form of additional Trust Units ("Reinvested Trust Units"). Income of the Fund payable to Unitholders, whether in cash, Reinvested Trust Units or otherwise, will generally be deductible by the Fund in computing its income.

The Fund will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Trust Units during the year (the "Capital Gains Refund"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the Fund's tax liability for such taxation year arising as a result of the distribution of Notes or Common Shares of Rogers in connection with the redemption of Trust Units. The Declaration of Trust provides that the taxable portion of any capital gain realized by the Fund as a result of such redemption may, at the discretion of the Trustees, be treated as income paid to, and designated as a taxable capital gain of, the redeeming Unitholders. Such amount will be included in the income of the redeeming Unitholders and will be deductible by the Fund. In addition, certain accrued interest on a Note distributed to a redeeming Unitholder will be treated as an amount paid to such Unitholder and so will be deductible by the Fund.

Counsel has been advised that the Fund intends to make distributions in each year of its net income for tax purposes and net realized capital gains so that the Fund will generally not be liable in such year for income tax under Part I of the Tax Act.

Taxation of Unitholders

(i) Fund Distributions

A Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the Fund for a taxation year, including net realized taxable capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether such portion is received in cash, Reinvested Trust Units or otherwise.

Provided that appropriate designations are made by the Fund, such portion of its taxable dividends and net taxable capital gains as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from Rogers or any other taxable Canadian corporation, they generally will be subject, *inter alia*, to the gross-up and dividend tax credit provisions in respect of Unitholders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals, and to the deduction in computing taxable income in respect of Unitholders that are corporations.

The non-taxable portion of any net realized capital gains of the Fund paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Fund that is paid or payable to a Unitholder in such year (otherwise than as proceeds of disposition of the Trust Units) will not generally be included in the Unitholder's income for the year. However, such amount will reduce the adjusted cost base of the Trust Units to the Unitholder.

To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Trust Unit and will be added to the adjusted cost base of the Trust Unit so that the adjusted cost base will be zero.

The cost to a Unitholder of Reinvested Trust Units received in lieu of a cash distribution of income will be the amount of income paid in Reinvested Trust Units. For the purpose of determining the adjusted cost base to a Unitholder of Trust Units, when a Trust Unit is acquired, whether as Reinvested Trust Units or otherwise, the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units owned by the Unitholder as capital property immediately before such acquisition.

(ii) Dispositions of Trust Units

On the disposition or deemed disposition of a Trust Unit, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition, net of any reasonable costs of disposition, are greater than (or less than) the holder's adjusted cost base of the Trust Unit. Proceeds of disposition will not include an amount that is otherwise required to be included in the Unitholder's income.

Where Trust Units are redeemed by the distribution of Notes and Common Shares of Rogers to the Unitholder, the proceeds of disposition to the Unitholder of the Trust Units will be equal to the fair market value of the Notes and Common Shares of Rogers so distributed less, in the case of Notes, any accrued interest thereon. Interest accrued in the taxation year of the Fund in which the redemption occurs but which has not been paid at the time of redemption will be treated as an amount of income paid to the Unitholder and therefore will be included in the Unitholder's income in the year the Trust Unit is redeemed.

The cost of any Note or Common Share of Rogers distributed by the Fund to a Unitholder upon a redemption of Trust Units will be equal to the fair market value of the Note or share at the time of the distribution less, in the case of a Note, any accrued interest thereon. The Unitholder will thereafter be required to include in income interest on the Note in accordance with the provisions of the Tax Act. To the extent that the Unitholder is thereafter required to include in income any interest accrued to the date of the acquisition of the Note by the Unitholder, an offsetting deduction will be available.

Three-quarters of any capital gains realized by a Unitholder and the amount of any net taxable capital gains designated by the Fund in respect of a Unitholder will be required to be included in the Unitholder's income as a taxable capital gain. Three-quarters of any capital loss realized by a Unitholder may normally be deducted against taxable capital gains in accordance with the rules contained in the Tax Act in this regard. In general terms, net income of the Fund paid or payable to a Unitholder who is an individual that is designated as taxable dividends or as net realized capital gains and capital gains realized on the disposition of Trust Units may increase the Unitholder's liability for alternative minimum tax. A Canadian-controlled private corporation also may be liable to pay the 6⅔% refundable tax on any such taxable capital gains.

Where a Trust Unit evidenced by a Trust Unit Instalment Receipt is reacquired by the Selling Debentureholder or is sold by the Custodian as a consequence of the holder's failure to pay the final instalment, the holder may be subject to special rules in the Tax Act relating to the repossession by a seller of property previously sold or the settlement or forgiveness of debt.

Eligibility for Investment

Qualified Investment

The Debentures will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans, each as defined in the Tax Act (each a "Plan") (other than trusts governed by deferred profit sharing plans for which any employer is Onex or is a corporation which does not deal with Onex at arm's length). Provided the Fund is a mutual fund trust or a registered investment, the Trust Units will be qualified investments for Plans. If the Fund does not so qualify, there may be adverse tax consequences to Unitholders that are Plans. The Fund proposes to apply for registration as a registered investment under Part X.2 of the Tax Act.

A Note or a Common Share of Rogers received as a result of a redemption of Trust Units may not be a qualified investment for a Plan which could give rise to adverse consequences to the Plan or the annuitant thereunder. Accordingly, Plans that own Trust Units should consult their own tax advisors before deciding to exercise the redemption rights thereunder.

Foreign Property

Based on the Fund's representations as to its proposed activities and provided the Fund is a mutual fund trust, or if the Fund is a registered investment, counsel is of the opinion that Debentures and Trust Units will not constitute foreign property for Plans, registered pension plans or other persons subject to tax under Part XI of the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies, Ward & Beck, counsel for Onex and the Selling Debentureholder, and McCarthy Tétrault, counsel for the Underwriters, based on legislation in effect on the date hereof, the provisions of the following statutes:

Insurance Companies Act (Canada)
Trust and Loan Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Pension Benefits Standards Act (British Columbia)
Financial Institutions Act (British Columbia)
Insurance Act (Alberta)
The Pension Benefits Act, 1992 (Saskatchewan)
The Pension Benefits Act (Manitoba)
The Insurance Act (Manitoba)
The Trustee Act (Manitoba)
Pension Benefits Act (Ontario)
an Act respecting insurance (Québec)
Loan and Investment Societies Act (Québec)
an Act respecting trust companies and savings companies (Québec)
Supplemental Pension Plans Act (Québec)
Pension Benefits Act (New Brunswick)

would not preclude, subject to compliance with prudent investment standards or criteria, or, if applicable, investment policies, procedures or goals which have been filed, where required, with the appropriate regulatory authorities and the general investment provisions of such statutes, an investment in the Debentures and the Trust Units generally by saving certain exceptions, companies, corporations, pension plans or persons registered thereunder or governed thereby.

Such counsel have also expressed an opinion on the eligibility for investment of the Debentures and Trust Units for purposes of the Tax Act. See "Certain Canadian Federal Income Tax Considerations — Eligibility for Investment".

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the Debentures offered hereby will be passed upon on behalf of Onex and the Selling Debentureholder by Davies, Ward & Beck and on behalf of the Underwriters by McCarthy Tétrault. The partners, counsel and associates of Davies, Ward & Beck and McCarthy Tétrault, as a group, beneficially own, directly and indirectly, less than one percent of the Subordinate Voting Shares of Onex.

LEGAL PROCEEDINGS

Management of Onex is not aware of any material litigation outstanding, threatened or pending as of the date hereof, by or against Onex, the Selling Debentureholder, the Fund or Rogers which would be material to a purchaser of Debentures.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Onex are Coopers & Lybrand, Chartered Accountants, 145 King Street West, Toronto, Ontario.

The transfer agent and registrar for the Debentures and the Instalment Receipts is Montreal Trust Company of Canada at its principal stock and bond transfer office in Toronto and Vancouver.

The auditors of the Fund and Rogers are KPMG, Chartered Accountants, 777 Dunsmuir Street, P.O. Box 10426, Pacific Centre, Vancouver, British Columbia V7Y 1K3.

The transfer agent and registrar for the Trust Units is Montreal Trust Company of Canada at its principal stock and bond transfer office in Toronto and Vancouver.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

ROGERS SUGAR INCOME FUND

COMPILATION REPORT

To the Trustees
ROGERS SUGAR INCOME FUND

We have reviewed, as to compilation only, the pro forma balance sheet of Rogers Sugar Income Fund (the "Fund") as at June 30, 1997 and the pro forma statements of earnings and distributable cash for the nine months ended June 30, 1997 and for the year ended September 30, 1996. These pro forma financial statements have been prepared for inclusion in the prospectus of Onex Corporation ("Onex") relating to the proposed offering of exchangeable debentures of Onex exchangeable for trust units of the Fund. In our opinion, these pro forma financial statements have been properly compiled to give effect to the proposed transactions and the assumptions described in the notes thereto.

Vancouver, Canada
September ●, 1997

●
Chartered Accountants

ROGERS SUGAR INCOME FUND

Unaudited Pro Forma Balance Sheet
(in thousands of dollars)

As at June 30, 1997

	Fund Historical	Pro Forma Adjustments		Fund Pro Forma
Assets				
Cash	—	$ ●	2(a)	$ ●
		●	2(b)	
Investment in Rogers Sugar Ltd. (note 1):				
Common shares	—	●	2(b)	●
11.5% unsecured subordinated notes	—	278,261	2(b)	278,261
	$ —			$ ●
Liabilities and Unitholders' Equity				
Unitholders' equity	—	●	2(a)	$ ●

See accompanying notes to unaudited pro forma financial statements.

ROGERS SUGAR INCOME FUND

Unaudited Pro Forma Statement of Earnings and Distributable Cash
(in thousands of dollars)

Nine months ended June 30, 1997

	Fund Historical	Pro Forma Adjustments		Fund Pro Forma
Revenue:				
Interest income on 11.5% unsecured subordinated notes	$ —	$ 24,000	3(a)	$ 24,000
Share of loss of Rogers Sugar Ltd. (note 4)	—	●	3(b)	●
Administration expense	—	225	3(c)	225
Net earnings	—			●
Add:				
Dividends from Rogers Sugar Ltd. (note 5)	—	●	3(d)	●
Share of loss of Rogers Sugar Ltd.	—	●	3(b)	●
Distributable cash (note 6)	$ —			$ ●

See accompanying notes to unaudited pro forma financial statements.

ROGERS SUGAR INCOME FUND

Unaudited Pro Forma Statement of Earnings and Distributable Cash
(in thousands of dollars)

Year ended September 30, 1996

	Fund Historical	Pro Forma Adjustments		Fund Pro Forma
Revenue:				
Interest income on 11.5% unsecured subordinated notes	$ —	$ 32,000	3(a)	$ 32,000
Share of loss of Rogers Sugar Ltd. (note 4)	—	●	3(b)	●
Administration expense	—	300	3(c)	300
Net earnings	—			●
Add:				
Dividends from Rogers Sugar Ltd. (note 5)	—	●	3(d)	●
Share of loss of Rogers Sugar Ltd.	—	●	3(b)	●
Distributable cash (note 6)	$ —			$ ●

See accompanying notes to unaudited pro forma financial statements.

ROGERS SUGAR INCOME FUND

Notes to Unaudited Pro Forma Financial Statements

1. Basis of Presentation:

The Rogers Sugar Income Fund (the "Fund") is an open-ended, limited purpose trust created under the laws of the Province of Ontario by a declaration of trust made as of September 15, 1997. Each unitholder participates *pro rata* in distributions of net earnings and, in the event of termination of the Fund, participates *pro rata* in the net assets remaining after satisfaction of all liabilities. Income tax obligations related to the distribution of net earnings by the Fund are the obligations of the unitholders. The pro forma financial statements may not be indicative of the financial position and results of the operations that would have been incurred if the transactions had been in effect on the dates indicated or of the operating results which may be obtained in the future.

The pro forma statements should be read in conjunction with the following financial information:

(a) the audited balance sheet of the Fund as at September ● , 1997;

(b) the unaudited financial statements of Rogers Sugar (a Division of BC Sugar Refinery, Limited) for the nine months ended June 30, 1997;

(c) the audited financial statements of Rogers Sugar (a Division of BC Sugar Refinery, Limited) for the year ended September 30, 1996; and

(d) the additional transactions described below.

The accompanying pro forma financial statements of the Fund have been prepared to reflect the Fund's interest in the following major transactions:

- OMI Limited Partnership ("OMI") and Balaclava Acquisition Inc. ("BAI") (together referred to as the "OMI/BAI Group") acquired all of the issued and outstanding common shares of BC Sugar Refinery, Limited ("BC Sugar") for aggregate consideration of $413.6 million in cash. After such acquisition, OMI owns 75% and BAI owns 25% of BCS Acquisition Inc. which owns 100% of 505272 N.B. Limited which owns 100% of BC Sugar.
- The reorganization of BC Sugar whereby all the operations of BC Sugar, except for the western Canadian sugar operations of BC Sugar's wholly-owned subsidiary, Rogers Sugar Ltd., are sold to related parties of the OMI/BAI Group.
- The establishment of the Fund to acquire all of the issued and outstanding common shares and all of the outstanding notes of Rogers Sugar Ltd. The incorporation by the Fund of RSIF Newco Inc. under the Canada Business Corporations Act.
- The amalgamation of RSIF Newco Inc., BCS Acquisition Inc., 505272 N.B. Limited, BC Sugar and Rogers Sugar Ltd. to form Rogers Sugar Ltd. ("Rogers"). On the amalgamation, OMI LP will acquire ● Class A special shares, BAI will acquire ● Class B special shares and the Fund will acquire one common share. Following the amalgamation, the Fund will subscribe for $ ● of common shares and $278,260,870 principal amount of 11.5% subordinated notes to be issued by Rogers. One Class C special share will be issued to Lantic Capital Inc. ("Lantic Capital"), an affiliate of Lantic Sugar Limited ("Lantic"). The Class A and B special shares will be redeemable and retractable at a fixed aggregate amount, non-participating on a winding-up beyond the redemption amount and will not be entitled to dividends. The Class A special shares will be non-voting and the Class B special shares will be entitled to 10.01% of all votes on all outstanding classes of shares of Rogers.

  The Class C special share will be redeemable for $1.00 if the governance agreement between Lantic Capital and Rogers is terminated. The share has no dividend entitlement, has the right to $1.00 on liquidation and will entitle the holder to elect three of the five directors of Rogers.
- The financing of the above acquisition by the Fund through the issuance of ● trust units (the "Trust Units") for net proceeds of ● .

2. Pro Forma Balance Sheet Assumptions:

The pro forma balance sheet of the Fund as at June 30, 1997 gives effect to the creation of the Fund as if it had occurred on June 30, 1997 and has been prepared as if the following proposed transactions had been completed as of that date:

(a) Issuance of ● Trust Units by the Fund for cash of $ ● .

(b) The acquisition by the Fund of common shares and $278,260,870 principal amount of 11.5% subordinated notes of Rogers (after the transactions disclosed in Note 1) for total consideration of $ ● .

3. Assumptions for Pro Forma Statements of Earnings and Distributable Cash for the Nine Months Ended June 30, 1997 and for the Year Ended September 30, 1996:

The pro forma financial statements of earnings and distributable cash for the nine months ended June 30, 1997 and for the year ended September 30, 1996, are based on the historical financial statements of the Fund as adjusted for the effect of the proposed transactions and have been prepared as if the transactions had occurred at the beginning of the respective periods as follows:

(a) Provide for the interest to be earned by the Fund in respect of the $278,260,870 subordinated notes ($24 million for the nine months ended June 30, 1997 and $32 million for the year ended September 30, 1996).

(b) Provide for 100% share of the loss of Rogers for the periods after taking into account the adjustments described in note 4.

(c) Provide for administrative costs to be incurred by the Fund ($225,000 for the nine months ended June 30, 1997 and $300,000 for the year ended September 30, 1996).

(d) Provide for dividends declared by Rogers accruing to common shares as described in note 5.

4. Share of Loss of Rogers: (in thousands of dollars)

The following is a statement of earnings (loss) of Rogers' operations for the respective periods including a calculation of the Fund's share of the loss using the equity method of accounting:

	Nine months ended June 30, 1997			Year ended September 30, 1996		
	Rogers Sugar divisional operations	Pro Forma adjustments	Rogers pro forma	Rogers Sugar divisional operations	Pro Forma adjustments	Rogers pro forma
Revenues	$134,013	$	$134,806	$198,414	$	$198,414
Cost of sales	100,207		100,207	148,041		
Gross margin	33,806		33,806	50,373		50,373
Operating costs and expenses:						
Distribution	3,377		3,377	4,581		4,581
Selling, general and administrative	7,905	(4,605) (a)	3,300	8,288	3,888 (a)	4,400
Restructuring costs	7,000		7,000	—		—
Capital taxes	—	350 (i)	350	—	475 (i)	475
	18,282		14,027	12,869		9,456
Earnings before depreciation and amortization, interest and taxes	15,524		19,779	37,500		40,917
Depreciation and amortization	2,118	● (b)	●	3,009	● (b)	●
		● (c)			● (c)	
Earnings before interest and income taxes	13,406		●	34,594		●
Long-term debt interest	2,599	24,000 (d)	26,725	3,479	32,000 (d)	35,635
		2,725 (e)			3,635 (e)	
		(2,599) (f)			(3,479) (f)	
Other interest	39	375 (g)	375	115	500 (g)	500
		(35) (h)			(115) (h)	
Earnings (loss) before income taxes	10,768		●	30,901		●
Income taxes	4,266	● (j)	●	11,705	● (j)	●
		● (i)			● (i)	
Net earnings (loss)	$ 6,502		$ ●	$ 19,195		●
Amortization of the Fund's purchase price discrepancy		● (k)	●		● (k)	●
Fund's share of loss of Rogers		●	$ ●		●	$ ●

The following adjustments are made to Rogers' historical information in the determination of the Fund's share of loss of Rogers.

(a) Commencing on October 1, 1997, strategic management services will be provided by Lantic for an agreed fee of $300,000 per annum. These services will include strategic planning and development of the business of Rogers and strategic advice on matters pertaining to major acquisitions and divestitures, capital expenditures and financing arrangements related thereto ($225,000 for the nine months ended June 30, 1997 and $300,000 for the year ended September 30, 1996).

Commencing on October 1, 1997, all sales, general and administrative services, other than services related to distribution will be provided by Lantic for an agreed fee of $4.1 million per annum pursuant to a services outsourcing agreement ($3,075,000 for the nine months ended June 30, 1997 and $4,100,000 for the year ended September 30, 1996). These agreements replace the normal selling, general and administration expenses previously incurred.

(b) Provide for amortization of the purchase price discrepancy of $ ● , representing the excess of the purchase price paid by the OMI/BAI Group allocated to Rogers over the related net book value of Rogers at the date of acquisition. The preliminary allocation of the purchase price discrepancy will be $15 million to land and $ ● to goodwill which will be amortized on a straight-line basis over 20 years.

(c) Reduce the depreciation expense from $2.1 million to $512,000 to give effect to the change in depreciation method from the declining balance method to the straight-line method and over the estimated useful lives of the depreciable assets acquired.

(d) Provide for interest expense to be incurred by Rogers in respect of the $278,260,870 of subordinated notes ($24 million for the nine months ended June 30, 1997 and $32 million for the year ended September 30, 1996).

(e) Provide for interest expense to be incurred by Rogers in respect of the long-term bank debt ($2,725,000 for the nine months ended June 30, 1997 and $3,635,000 for the year ended September 30, 1996).

(f) Reduce the interest expense incurred by Rogers on its existing long-term bank loan which is repaid using funds from the new long-term bank loan ($2,599,000 for the nine months ended June 30, 1997 and $3,479,000 for the year ended September 30, 1996).

(g) Provide for interest expense to be incurred by Rogers in respect of the operating bank debt ($460,000 for the nine months ended June 30, 1997 and $500,000 for the year ended September 30, 1996).

(h) Reduce the interest expense incurred by Rogers on its existing operating bank loan which is repaid using funds from the new operating bank loan ($39,000 for the nine months ended June 30, 1997 and $115,000 for the year ended September 30, 1996).

(i) Provide for increased capital taxes as a result of the new capital structure.

(j) Eliminate all taxes on income as the adjustments above result in a loss for the nine months ended June 30, 1997 and the year ended September 30, 1997.

(k) Provide for amortization of the Fund's purchase price discrepancy of $ ● , representing the excess of the purchase price of the Fund's 100% Common Share equity interest in Rogers over the related net book value of Rogers at the date of allocation. The preliminary allocation of the purchase price discrepancy will be $ ● to goodwill which will be amortized on a straight-line basis over 20 years.

5. Dividends from Rogers:

The pro forma adjustments assume that the dividend policy of Rogers is to declare dividends on a quarterly basis in an aggregate amount equal to its net earnings before depreciation and deferred income taxes, less capital expenditures together with any amounts transferred from the cash collateral account. Pro forma dividends for the nine months ended June 30, 1997 and the year ended September 30, 1996 have been calculated as follows:

	Nine months ended June 30, 1997	**Year ended September 30, 1996**
Net earnings (loss) of Rogers	$ ●	$ ●
Add (deduct):		
Depreciation and amortization	●	●
Deferred income taxes	●	●
Capital expenditures	●	●
Transfer from cash collateral account	●	●
	$ ●	$ ●

6. Distributable Cash:

Distributable cash includes all amounts received by the Fund in respect of dividends or return of capital on the common shares of Rogers and interest or repayment of principal on the subordinated notes, plus income from permitted investments, if any, less administrative costs and fees of the Fund, amounts that may be paid by the Fund in connection with any cash redemptions of Trust Units and amounts required for the business and operations of the Fund.

ROGERS SUGAR LTD.
COMPILATION REPORT

To the Board of Directors of
ROGERS SUGAR LTD.

We have reviewed, as to compilation only, the accompanying pro forma balance sheet of Rogers Sugar Ltd. ("Rogers") as at June 30, 1997. This pro forma balance sheet has been prepared for inclusion in the prospectus of Onex Corporation to qualify the distribution of exchangeable debentures of Onex Corporation exchangeable for trust units of Rogers Sugar Income Fund. In our opinion, these pro forma financial statements have been properly compiled to give effect to the proposed transactions and the assumptions described in the notes thereto.

Vancouver, Canada — ●
September ● , 1997 — Chartered Accountants

ROGERS SUGAR LTD.

Unaudited Pro Forma Balance Sheet
(in thousands of dollars)

June 30, 1997

	Rogers Sugar divisional operations	Pro Forma adjustments		Rogers pro forma
Assets				
Current assets:				
Cash	$ —	$ ●	b(ii)	$ ●
		57,000	b(iii)	
		(38,500)	b(vi)	
		●	b(vii)	
Cash in escrow	—	(16,000)	b(v)	16,000
Accounts receivable	16,228	5,000	b(i)	21,228
Inventory	28,335			28,335
Prepaid expenses	3,925			3,925
Income taxes recoverable	1,150			1,150
Deferred income taxes	3,948			3,948
	53,586			●
Notes receivable from Onex/BAI	—	178,000	b(i)	178,000
Receivable from Lantic Real Property Limited Partnership	—	15,467	b(i)	—
		(15,467)	b(vii)	
Fixed assets, net	12,124	15,000	b(i)	27,124
Goodwill	—	203,575	b(i)	203,575
	$65,710			$ ●
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank indebtedness	**$ 2,201**	**$ ●**	**b(vii)**	**$ ●**
Accounts payable and accrued liabilities	**19,723**			**19,723**
Accrued liability to beet growers	**5,303**			**5,303**
	27,227			**●**
Long-term debt	**30,000**	**8,500**	**b(i)**	**57,000**
		57,000	**b(iii)**	
		(38,500)	**b(vi)**	
11.5% Subordinated notes	**—**	**278,261**	**b(ii)**	**278,261**
Redeemable Class A and B special shares	**—**	**●**	**b(ii)**	**178,000**
		●	**b(vii)**	
		(15,467)	**b(vii)**	
Accrued pension liability	**4,297**	**(4,297)**	**b(iv)**	**●**
Payable to Lantic Sugar Limited	**—**	**2,581**	**b(iv)**	**2,581**
Deferred income taxes	**(872)**	**1,716**	**b(iv)**	**844**
	60,652			**●**
Shareholders' equity:				
Common shares	**—**	**412,100**	**b(i)**	**●**
		●	**b(ii)**	
		(413,600)	**b(ii)**	
Retained earnings (deficit)	**5,050**	**(5,058)**	**b(i)**	**(●)**
		●	**b(ii)**	
	$65,710			**$ ●**

See accompanying notes to unaudited pro forma financial statements.

ROGERS SUGAR LTD.

Notes to Unaudited Pro Forma Balance Sheet

June 30, 1997

1. Basis of presentation:

This pro forma balance sheet has been prepared to reflect the impact of the transactions described below on the historical financial position of the western Canadian operations of Rogers Sugar Ltd. ("Rogers"). The pro forma balance sheet is not necessarily indicative of the financial position of Rogers that would have been incurred if the transactions described below had occurred on the dates indicated.

This pro forma balance sheet should be read in conjunction with the following financial information:

(a) the unaudited financial statements of Rogers Sugar (a division of BC Sugar Refinery, Limited) for the nine months ended June 30, 1997; and

(b) the additional transactions described below.

The accompanying pro forma balance sheet of Rogers has been prepared to reflect the following major transactions, all of which occurred subsequent to June 30, 1997;

- OMI Limited Partnership ("OMI") and Balaclava Acquisition Inc. ("BAI") (together referred to as the "OMI/BAI Group") acquired all of the issued and outstanding common shares of BC Sugar Refinery, Limited ("BC Sugar") for aggregate consideration of $413.6 million in cash. After such acquisition, OMI owns 75% and BAI owns 25% of BCS Acquisition Inc. ("BCS") and wholly-owned subsidiaries being 505272 N.B. Limited and BC Sugar.
- The reorganization of BC Sugar whereby the all the operations of BC Sugar, except for the western Canadian sugar operations of BC Sugar's wholly owned subsidiary, Rogers Sugar Ltd., are sold to related parties of the OMI/BAI Group.
- The establishment of Rogers Sugar Income Fund (the "Fund") as an open ended, limited purpose trust to acquire all of the issued and outstanding common shares and all of the outstanding notes of Rogers. The incorporation by the Fund of RSIF Newco Inc. under the Canada Business Corporations Act.
- The amalgamation of RSIF Newco Inc., BCS Acquisition Inc., 505272 N.B. Limited, BC Sugar Refinery, Limited and Rogers Sugars Ltd. to form Rogers Sugars Ltd. ("Rogers"). On the amalgamation, OMI LP will acquire ● Class A special shares, BAI will acquire ● Class B special shares and the Fund will acquire one common share. Following the amalgamation, the Fund will subscribe for $ ● of common shares and $278,260,870 principal amount of 11.5% subordinated notes to be issued by Rogers. One Class C special share will be issued to Lantic Capital Inc. ("Lantic Capital"), an affiliate of Lantic Sugar Limited ("Lantic"). The Class A and B special shares will be redeemable and retractable at a fixed aggregate amount, non-participating on a winding-up beyond the redemption amount and will not be entitled to dividends. The Class A special shares will be non-voting and the Class B special shares will be entitled to 10.01% of all votes on all outstanding classes of shares of Rogers.
- The Class C special share will be redeemable for $1.00 if the management agreement between Lantic Capital and Rogers is terminated. This share has no dividend entitlement, has the right to $1.00 on liquidation and will be entitled to elect three of the five directors of Rogers.
- The financing of the above acquisition by the Fund through the issuance of ● Fund Units for net proceeds of ● .

2. Pro forma assumptions:

(a) Acquisition:

The acquisition of Rogers by BCS and the subsequent sale of Lantic Investments (which includes Lantic and Refined Sugars, Inc.) and other real estate investments to related parties of the OMI/BAI Group has been accounted for in the accompanying pro forma financial statements using the purchase method as set out below. Account balances at the time of closing will vary from those set out below and, accordingly, adjustments to the purchase price allocation will be required at that time.

	June 30, 1997 (in thousands of dollars)
Net assets acquired, at fair value:	
Current assets	$ 58,586
Deferred income taxes	872
Receivable from OMI/BAI	178,000
Receivable from Lantic Real Property Limited Partnership	15,467
Property, plant and equipment	27,124
Goodwill	203,575
Current liabilities	27,227
Long-term debt	38,500
Accrued pension liability	4,297
Consideration paid	$413,600

(b) Assumptions for pro forma balance sheet:

(i) Acquisition of Rogers by BCS.:

BCS acquired Rogers as part of its acquisition of BC Sugar which occurred on August 5, 1997. The net assets acquired and consideration paid is disclosed in note 2 (a).

(ii) Amalgamation:

The amalgamation of BCS, BC Sugar, Rogers Sugar Ltd., 505272 N.B. Limited and RSIF Newco Inc. to form Rogers as disclosed in note 1.

(iii) Bank Term Loan Financing:

The entering into a new long-term bank term loan facility with a chartered bank in the amount of $100 million is assumed, of which Rogers will draw an initial amount of $57 million on this facility.

(iv) Executive Pension Plan:

Rogers will enter into an agreement with Lantic whereby Lantic agrees to pay future obligations under the BC Sugar executive pension plan.

(v) Cash in Escrow:

$16 million is deposited in escrow to be used by Rogers to make distributions on the notes and Common Shares.

(vi) Repayment of Existing Bank Term Loans:

Rogers repays its existing term loans with a chartered bank.

(vii) Reduction of stated capital of the Class A and Class B special shares:

The stated capital of the Class A special shares and Class B special shares of Rogers is reduced to $ ● by the payment of cash and by the transfer of the Lantic Real Property Limited Partnership receivable of $15,467,000.

ROGERS SUGAR INCOME FUND

AUDITORS' REPORT

The Trustees of
Rogers Sugar Income Fund

We have audited the balance sheet of Rogers Sugar Income Fund as at September 15, 1997. This balance sheet is the responsibility of management of Lantic Sugar Limited. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this balance sheet presents fairly, in all material respects, the financial position of the Fund as at September 15, 1997 in accordance with generally accepted accounting principles.

Vancouver, Canada	●
● , 1997	Chartered Accountants

ROGERS SUGAR INCOME FUND

BALANCE SHEET
As at September 15, 1997

Assets	
Cash	$ 10
Unitholders' Equity	
Trust Units equity	$ 10

Approved on behalf of the Trustees:

(Signed) JAMES S.A. MACDONALD
Trustee

(Signed) M. DALLAS H. ROSS
Trustee

See accompanying note to balance sheet.

ROGERS SUGAR INCOME FUND

Note to Balance Sheet

September 15, 1997

Formation of Fund:

Rogers Sugar Income Fund (the "Fund") is an open-ended, limited purpose trust created under the laws of Ontario by declaration of trust made as of September 15, 1997 (the "Declaration of Trust"). The Fund issued an initial trust unit on September 15, 1997 for cash proceeds of $10. An unlimited number of trust units may be issued pursuant to the Declaration of Trust.

The Fund has been established to own 100% of the common shares and $278,260,870 principal amount of 11.5% unsecured subordinated notes of Rogers Sugar Ltd. To finance these investments, the Fund intends to issue ● trust units for net proceeds of $ ● million.

The Fund is an unincorporated trust with each unitholder participating *pro rata* in distributions of net earnings and, in the event of termination of the Fund, participating *pro rata* in the net assets remaining after satisfaction of all liabilities. Income tax obligations related to the distribution of net earnings by the Fund are the obligations of the unitholders.

ROGERS SUGAR FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors
BC SUGAR REFINERY, LIMITED

We have audited the balance sheets of Rogers Sugar (a Division of BC Sugar Refinery, Limited) as at September 30, 1996 and 1995 and the statements of earnings and undistributed equity and changes in financial position for each of the years in the five year period ended September 30, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Rogers Sugar as at September 30, 1996 and 1995 and the results of its operations and the changes in its financial position for each of the years in the five year period ended September 30, 1996 in accordance with generally accepted accounting principles.

Chartered Accountants

Vancouver, Canada
November 8, 1996,
except as to notes 1 and 9
which are as of September ● , 1997

ROGERS SUGAR
(A Division of BC Sugar Refinery, Limited)

Balance Sheets
(in thousands of dollars)

	June 30, 1997 (unaudited)	September 30, 1996	September 30, 1995
Assets			
Current assets:			
Cash	$ —	$10,660	$ 927
Accounts receivable	16,228	18,794	17,005
Inventories	28,335	19,196	21,045
Prepaid expenses	3,925	2,702	2,395
Income taxes recoverable	1,150	—	517
Deferred income taxes	3,948	3,726	4,280
	53,586	55,078	46,169
Fixed assets (note 2)	12,124	14,403	13,479
	$65,710	$69,481	$59,648
Liabilities and Undistributed Equity			
Current liabilities:			
Bank indebtedness	$ 2,201	$ —	$ —
Accounts payable and accrued liabilities	19,723	13,967	8,781
Accrued liability to beet growers	5,303	6,099	8,134
Income taxes payable	—	741	—
	27,227	20,807	16,915
Long-term debt (note 3)	30,000	30,000	30,000
Accrued pension liability	4,297	4,314	3,887
Deferred income taxes	(872)	248	406
	60,652	55,369	51,208
Undistributed equity (note 7)	5,058	14,112	8,440
Contingency (note 9)			
	$65,710	$69,481	$59,648

Approved by the Board:

(Signed) Seth M. Mersky
Director

(Signed) Mark L. Hilson
Director

See accompanying notes to financial statements.

ROGERS SUGAR
(A Division of BC Sugar Refinery, Limited)

Statements of Earnings and Undistributed Equity
(in thousands of dollars)

	Nine months ended June 30		Years ended September 30				
	1997	1996	1996	1995	1994	1993	1992
	(unaudited)						
Revenues	$134,013	$149,927	$198,414	$194,710	$187,612	$165,848	$156,006
Cost of sales	100,207	108,992	148,041	146,134	144,678	120,578	112,374
Gross margin	33,806	40,935	50,373	48,576	42,934	45,270	43,632
Expenses:							
Distribution	3,377	3,194	4,581	4,194	5,576	4,186	3,633
Selling, general and administrative	7,905	6,783	8,288	10,649	7,969	12,120	13,522
Restructuring costs (note 8)	7,000	—	—	2,045	—	—	—
Earnings before depreciation, interest and income taxes	15,524	30,958	37,504	31,688	29,389	28,964	26,472
Depreciation	2,118	2,245	3,009	2,625	2,656	2,913	3,314
Earnings before interest and income taxes	13,406	28,713	34,495	29,063	26,733	26,051	23,158
Long-term debt interest	2,599	2,542	3,479	3,420	3,228	3,414	3,414
Other interest	39	216	115	216	400	1,012	2,760
Earnings before income taxes	10,768	25,955	30,901	25,427	23,105	21,625	16,984
Income taxes (note 4)	4,266	9,767	11,706	10,184	9,255	8,630	6,716
Net earnings	6,502	16,188	19,195	15,243	13,850	12,995	10,268
Undistributed equity, beginning of period	14,112	8,440	8,440	241	(2,176)	(15,171)	(20,625)
	20,614	24,628	27,635	15,484	11,674	(2,176)	(10,357)
Distributions to non-western operations	(15,556)	(7,651)	(13,523)	(7,044)	(11,433)	—	(4,814)
Undistributed equity, end of period	$ 5,058	$ 16,977	$ 14,112	$ 8,440	$ 241	$ (2,176)	$(15,171)

See accompanying notes to financial statements.

ROGERS SUGAR
(A Division of BC Sugar Refinery, Limited)

Statements of Changes in Financial Position
(in thousands of dollars)

	Nine months ended June 30		Years ended September 30				
	1997	1996	1996	1995	1994	1993	1992
	(unaudited)						
Cash provided by (used in):							
Operations:							
Net earnings	$ 6,502	$ 16,188	$ 19,195	$ 15,243	$ 13,850	$ 12,995	$ 10,268
Items not involving cash:							
Depreciation	2,118	2,245	3,009	2,625	2,656	2,913	3,314
Accrued pension expense	(17)	—	427	427	346	319	301
Deferred income taxes	(1,342)	427	396	(275)	(136)	(1,119)	(111)
Gain on disposal of fixed assets	2,646	—	(372)	—	—	(17)	—
	9,907	18,860	22,655	18,020	16,716	15,091	13,772
Changes in non-cash working capital	(4,727)	(11,565)	4,162	(8,241)	1,540	2,768	3,108
Cash from operations	5,180	7,295	26,817	9,779	18,256	17,859	16,880
Financing							
Distributions to non-Western Operations	(15,556)	(7,651)	(13,523)	(7,044)	(11,433)	—	(4,814)
Investments:							
Due from related parties	—	—	—	—	—	7,337	(7,338)
Additions to fixed assets	(2,485)	(2,462)	(3,959)	(2,330)	(1,330)	(1,209)	(2,602)
Proceeds on disposal of fixed assets	—	—	398	—	—	34	—
	(2,485)	(2,485)	(3,561)	(2,330)	(1,330)	6,162	(9,940)
Increase (decrease) in cash	(12,861)	(2,818)	9,733	405	5,493	24,021	2,126
Cash (bank indebtedness), beginning of period	10,660	927	927	522	(4,971)	(28,992)	(31,118)
Cash (bank indebtedness), end of period	$ (2,201)	$ (1,891)	$ 10,660	$ 927	$ 522	$ (4,971)	$(28,992)

See accompanying notes to financial statements.

ROGERS SUGAR
(A Division of BC Sugar Refinery, Limited)

Notes to Financial Statements
(in thousands of dollars)

Nine months ended June 30, 1997 and 1996 (Unaudited)
Years ended September 30, 1996, 1995, 1994, 1993 and 1992

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements include the accounts of the western Canadian sugar operations of BC Sugar Refinery, Limited ("BC Sugar") which include a cane sugar refinery located in Vancouver, B.C. and beet sugar processing facilities located in Taber, Alberta and Winnipeg, Manitoba ("Rogers Sugar" or the "Division").

The financial position and results of operation, reflected in these statements, have previously been included in the financial statements of Rogers Sugar Ltd., a wholly-owned subsidiary of BC Sugar. The accounts of Rogers Sugar Ltd. differ from the accounts included in these financial statements as all non-sugar producing assets and liabilities have been excluded from these financial statements.

These financial statements have been prepared for inclusion in a prospectus to be filed by Onex Corporation.

(b) Expense allocation:

Selling, general and administrative expense for the nine months ended June 30, 1997 and 1996 and for the five years ended September 30, 1996 presented includes expenses for corporate overhead costs, which have been allocated to the various operating divisions of BC Sugar on an equitable basis.

(c) Revenue recognition:

Revenue is recognized at the time sugar products are shipped to customers.

(d) Inventories:

Cane sugar inventory is valued at the lower of cost and net realizable value. A base quantity of 35,000 tonnes of cane sugar is valued at $85 per tonne, which is less than market value.

Beet sugar inventory and all other inventories are valued at the lower of cost and net realizable value.

(e) Futures transactions:

The Division, in the normal course of business, enters into commodities futures contracts on regulated futures markets for the purpose of hedging sugar inventories and related purchase and sale commitments. Hedging gains and losses on purchase and sale commitments are included in inventories. Any gain or loss on the unhedged commitments is recognized currently.

(f) Fixed assets:

Fixed assets are stated at cost. Depreciation is provided over the estimated useful life of the related asset. Assets are depreciated on the diminishing balance basis using the following annual rates:

Assets	Rate (percent)
Buildings and improvements	4 – 10
Plant and equipment	20 – 30
Furniture and fixtures	20

(g) Income taxes:

Current deferred income taxes are primarily related to timing differences between the Division's basis of valuing its sugar inventories for accounting purposes and that permitted for income tax purposes.

Non-current deferred income taxes are provided on timing differences which result primarily from claiming capital cost allowances in excess of depreciation and from deferred pension costs.

(h) Pension expense and obligation:

Assets of the defined benefits pension plans are recorded at values which are adjusted to market over a period of five years. Pension expense includes amortization of past service costs, experience gains and losses and the difference between pension fund assets and the actuarial value of accrued pension benefits. These amounts are amortized on a straight-line basis over the expected average remaining service life of the plan participants. Actuarial valuations of the Division's pension plans are performed at least once every three years.

(i) Retiree health care benefits:

The Division provides extended health care and medical service plan benefits to certain of its retired employees. These benefits are expensed as paid.

(j) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates related to the valuation of inventories, the determination of impairments in fixed assets, and rates for depreciation. Actual results could differ from those estimates.

2. Fixed assets (in thousands of dollars)

	June 30, 1997 (unaudited)		
	Cost	Accumulated Depreciation	Net book value
Land	$ 336	$ —	$ 336
Buildings and improvements	13,177	9,700	3,477
Plant and equipment	64,239	58,170	6,069
Furniture and fixtures	6,481	5,675	806
Work in progress	1,436	—	1,436
	$ 85,669	$73,545	$12,124

	September 30, 1996		
	Cost	Accumulated Depreciation	Net book value
Land	$ 336	$ —	$ 336
Buildings and improvements	17,017	12,303	4,714
Plant and equipment	81,942	73,782	8,160
Furniture and fixtures	8,391	7,198	1,193
	$107,686	$93,283	$14,403

	September 30, 1995		
	Cost	Accumulated Depreciation	Net book value
Land	$ 336	$ —	$ 336
Buildings and improvements	17,124	12,122	5,002
Plant and equipment	79,200	71,934	7,266
Furniture and fixtures	7,817	6,942	875
	$104,477	$90,998	$13,479

3. Long-term debt (in thousands of dollars)

	June 30, 1997	September 30, 1996	September 30, 1995
	(unaudited)		
Bank term loan bearing interest at prime plus 0.25% (1995 — prime plus 0.25) maturing March 31, 2001	$ 30,000	$30,000	$30,000

The bank term loan amount of $30 million (September 30, 1996 and 1995: $30 million) represents the Division's allocated portion of Rogers Sugar Ltd.'s bank term loan amount of $38.5 million (September 30, 1996 — $43.8 million; September 30, 1995 — $51.5 million).

Rogers Sugar Ltd.'s bank term loan has scheduled quarterly repayments of $1,750,000 in 1997 and 1998 and scheduled quarterly repayments of $2,000,000 in 1999 and 2000 and the remaining balance of $13,750,000 is due in 2001.

Rogers Sugar Ltd. has entered into an interest rate swap arrangement which matures March 31, 1998. Under the arrangement, interest is fixed at 10.13 percent per annum on an outstanding notional amount. At June 30, 1997 this was $38,750,000 (September 30, 1996 and 1995 — $43,750,000 and $50,750,000 respectively).

The long-term debt and interest rate swap arrangement are secured on an equal basis by a general security agreement creating a security interest in a first position over all the assets of the Rogers Sugar Ltd., except for inventories and receivables, together with a share pledge of all common shares of Rogers Sugar Ltd.'s wholly-owned subsidiary, Lantic Sugar Limited.

Required principal payments in each of the next five years from September 30, 1996 for Rogers Sugar Ltd. are as follows:

	(In thousands of dollars)
1997	$ 7,000
1998	7,000
1999	8,000
2000	8,000
2001	13,750

As at June 30, 1997, $5,250,000 had been repaid in respect of 1997.

4. Income taxes:

The Division's effective income tax rate comprises the following:

	June 30, 1997	September 30, 1996	1995	1994	1993	1992
	(unaudited)					
Combined basic income tax rate	45.5%	45.5%	44.8%	44.8%	44.8%	43.2%
Manufacturing and processing profits deduction	(7.5)	(7.5)	(6.8)	(6.8)	(5.8)	(4.3)
Non-taxable adjustments and other	1.6	(0.1)	2.0	2.0	0.9	0.6
Effective income tax rate	39.6%	37.9%	40.0%	40.0%	39.9%	39.5%

	June 30, 1997	September 30, 1996	1995	1994	1993	1992
	(unaudited)					
		(In thousands of dollars)				
Actual provision for income taxes:						
Current	$ 5,386	$11,864	$10,628	$ 9,391	$ 9,749	$ 6,827
Deferred (recovery)	(1,120)	(158)	(444)	(136)	(1,119)	(111)
	$ 4,266	$11,706	$10,184	$ 9,255	$ 8,630	$ 6,716

5. Pension plans:

The Division maintains defined benefit pension plans for its employees. Actuarial valuations of these pension plans are carried out periodically and provide estimates of the present value of accrued pension benefits at a point in time, calculated on the basis of various assumptions with respect to pension plan costs and rates of return on investments.

As at September 30, 1996, the present value of accrued benefits amounted to $28,678,000 (1995 — $26,409,000). Pension fund assets as at September 30, 1996 were $28,769,000 (1995 — $28,481,000).

The Division will fully amortize any experience gains or losses over the expected average remaining service life of the plan participants. This amortization period is currently fourteen years.

6. Financial instruments:

Long-term debt:

Long-term debt is recorded on the balance sheet at the cost amount of $30,000,000. The Division has estimated fair value of its long-term debt to be $30,170,000. The fair value has been estimated using discounted cash flows analysis based on incremental borrowing rates currently available for loans of similar terms and maturities. The fair value estimate does not include costs that would be incurred to exchange or settle the long-term debt arrangements in force as at September 30, 1996. If the Division were to extinguish the long-term debt arrangements prior to maturity, a penalty fee of $1.7 million would have to be paid.

Foreign exchange contracts:

The Division's activities which result in exposure to fluctuations in foreign currency exchange rates consist of the purchasing of raw sugar and the selling of refined sugar. The Division manages this exposure by creating offsetting positions through the use of financial instruments. These instruments include forward contracts, which are commitments to buy or sell at a future date, and may be settled in cash.

The credit risk associated with foreign exchange contracts arises from the possibility that a counterparty to a foreign exchange contract in which the Division has an unrealized gain fails to perform according to the terms of the contract. The credit risk is much less than the notional principal amount, being limited at any time to the change in foreign exchange rates attributable to the principal amount.

Forward foreign exchange contracts have maturities of less than two years and relate exclusively to U.S. currency. Counterparties to these contracts are major Canadian financial institutions. The Division does not anticipate any material adverse effect on its financial position resulting from its involvement in these types of contracts, nor does it anticipate non-performance by the counterparties.

At September 30, 1996, the Division had outstanding forward foreign exchange contracts with maturities of less than two years to purchase US currency aggregating US $37,357,000 and to sell US currency aggregating US $13,097,000. Outstanding forward foreign exchange contracts were in an unrealized cash out flow position of approximately $157,000. The net positions are sensitive to changes in foreign exchange rates.

7. Undistributed Equity:

These financial statements represent the assets and liabilities of the western operations of BC Sugar. Distributions of excess cash have been made to the remaining divisions of Rogers Sugar Ltd. and to other affiliated Companies of BC Sugar based on their cash flow requirements.

8. Restructuring costs:

In 1997, the Division made the decision to permanently close its operating facility located in Winnipeg, Manitoba. The provision for closing costs in the amount of $7 million represents severance and other termination and closure costs of approximately $4.3 million and a write-down of assets of approximately $2.7 million.

9. Contingency:

BC Sugar, Rogers Sugar Ltd. and Chatterton Petrochemical Corporation (a wholly-owned subsidiary of BC Sugar) indemnified the purchaser of a former wholly-owned subsidiary of Chatterton against environmental claims related to the former wholly-owned subsidiary. Should Chatterton be unable to fund any environmental obligations as they become due, Rogers Sugar, as a division of BC Sugar, may have to fund the environmental obligations. While the outcome of this contingency is uncertain, the division has provided for its estimated cost to resolve these obligations.

CERTIFICATE OF ONEX CORPORATION

Dated: September 15, 1997

The foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities laws of all provinces of Canada. For the purposes of the Province of Québec, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) Gerald W. Schwartz President and Chief Executive Officer	(Signed) Ewout R. Heersink Vice-President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) R. Geoffrey P. Styles Director	(Signed) Dan C. Casey Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 15, 1997

To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities laws of all provinces of Canada. For the purposes of the Province of Québec, to our knowledge, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

ScotiaMcLeod Inc.	CIBC Wood Gundy Securities Inc.
By: (Signed) M. Dallas H. Ross	By: (Signed) Earl I. Rotman
Nesbitt Burns Inc.	RBC Dominion Securities Inc.
By: (Signed) Harold M. Wolkin	By: (Signed) Carol S. Perry
First Marathon Securities Limited	Midland Walwyn Capital Inc.
By: (Signed) Lionel F. Conacher	By: (Signed) Brian D. Marshall

Goepel Shields & Partners Inc.	Lévesque Beaubien Geoffrion Inc.	Newcrest Capital Inc.
By: (Signed) David E. Roberts	By: (Signed) Pierre F. LeFèvre	By: (Signed) Peter Grosskopf

The following includes the name of every person or company having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of:

ScotiaMcLeod Inc.: a wholly-owned subsidiary of a Canadian chartered bank;

CIBC Wood Gundy Securities Inc.: a wholly-owned subsidiary of a Canadian chartered bank;

Nesbitt Burns Inc.: a wholly-owned subsidiary of The Nesbitt Burns Corporation Limited, a majority-owned subsidiary of a Canadian chartered bank;

RBC Dominion Securities Inc.: RBC Dominion Securities Limited, a majority-owned subsidiary of a Canadian chartered bank;

First Marathon Securities Limited: a wholly-owned subsidiary of First Marathon Inc.;

Midland Walwyn Capital Inc.: a wholly-owned subsidiary of Midland Walwyn Inc.;

Goepel Shields & Partners Inc.: owned by K.A. Shields, D.E. Roberts, R.E.T. Goepel, P.B Nixon, K.R. Cory and H. Kerr;

Lévesque Beaubien Geoffrion Inc.: wholly-owned by Lévesque, Beaubien and Company Inc., a majority-owned subsidiary of a Canadian chartered bank; and

Newcrest Capital Inc.: A. Boileau, P. Brehl, D. Davidson, D. Dawson, R. Dorrance, D. Gordon, J. Gravel, P. Grosskopf, J. Hinds, S. MacNicol, J. Massicotte, D. McCracken, J. O'Sullivan, L. Pettigrew, R. Price, P. Pryde, B. Robert, Sanwa Holdings Canada Inc., M. Schwartz and G. Williams.

BOWNE

PRINTED IN CANADA
T97409-1