CASSELS BROCK
LAWYERS

October 18, 2004

VIA SEDAR

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file # 29082-6

AUTORITE DES MARCHES FINANCIERS
Stock Exchange Tower
800 Victoria Square
22nd Floor
Montreal, Quebec H4Z 1G3

Dear Sirs/Mesdames:

**Re: NORTHERN FINANCIAL CORPORATION
OFFER TO PURCHASE ALL OF THE COMMON SHARES
OF PROPRIETARY INDUSTRIES INC.**

We are acting on behalf of Northern Financial Corporation (the "Corporation") in connection with the following. The Corporation intends to purchase all of the issued and outstanding common shares of Proprietary Industries ("Proprietary") and has mailed to each of the shareholders of Proprietary, including those residing in Quebec, an Offer to Purchase and Circular, Letter of Transmittal, Notice of Guaranteed Delivery and other documents related to the offer (the "Offer"). The Offer to Purchase and Circular, Letter of Transmittal and Notice of Guaranteed Delivery were filed on SEDAR on September 27, 2004.

In connection with the foregoing, the Corporation is relying on the statutory exemption provided for by section 121 of the *Securities Act (Québec)* (the "Act") to be exempt from the take-over bid requirements, including translation of the offering documents, prescribed by the Act.

The Corporation confirms to the Autorité des marchés financiers (the "AMF") that the following conditions of section 121 of the Act are met:

(1) there are fewer than 50 shareholders who are resident in Québec according to the addresses entered in the records of Proprietary and in the records of dealers acting as nominee (based on the inquiries described in (5));

(2) the shareholders of Proprietary resident in Québec own less than 2% of its common shares;

(3) the Corporation will send to the shareholders of Proprietary resident in Québec and will file with the AMF all the documents prescribed under the applicable law;

(4) the Corporation has made the Offer to the shareholders resident in Québec on the same conditions as to the other shareholders of Proprietary;

(5) the Corporation has inquired of: (i) the clearing house as to the nominees who are listed as shareholders of Proprietary, and (ii) the nominees who have an establishment in Québec as to the number of beneficial holders who reside in Québec.

Please do not hesitate to contact us if you have any questions or require further information.

Yours truly,
CASSELS BROCK & BLACKWELL LLP
Per:

(signed)

Howard Burshtein
HB/ac

cc: Richard Pinkerton, Northern Financial Corporation