

NOTICE OF EXTENSION
by
NORTHERN FINANCIAL CORPORATION



of its
OFFER TO PURCHASE
all of the outstanding common shares of

SYLRE LTD.

for the increased price of \$0.50 per Sylre Share
payable as to \$0.17 in cash and \$0.33 in common shares of
Northern Financial Corporation

THE OFFER HAS BEEN EXTENDED AND IS NOW OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (TORONTO TIME) ON NOVEMBER 5, 2004 (THE "EXPIRY TIME") UNLESS WITHDRAWN OR FURTHER EXTENDED.

Northern Financial Corporation (the "Offeror") hereby gives notice that it has extended the Expiry Time of its Offer to purchase all of the outstanding common shares (each, a "Sylre Share") of Sylre Ltd. ("Sylre"), including Sylre Shares which may become outstanding on the exercise of any outstanding options or other rights to acquire Sylre Shares (the "Offer"). The Offer is now open for acceptance until 5:00 p.m. (Toronto time) on November 5, 2004 (the "Expiry Time"), unless withdrawn or further extended.

Shareholders who wish to accept the Offer must properly complete and execute the revised Letter of Transmittal (printed on **pink** paper) accompanying the Notice of Variation and Extension dated October 7, 2004 or a manually executed facsimile thereof and deposit it, together with certificates representing their Sylre Shares, in accordance with the instructions in the Letter of Transmittal at the office of Computershare Trust Company of Canada (the "Depository") specified in the Letter of Transmittal not later than the Expiry Time. Alternatively, Shareholders may follow the procedure for guaranteed delivery set forth in Section 2 of the Offer to Purchase, "Time and Manner for Acceptance - Procedure for Guaranteed Delivery" by using the Notice of Guaranteed Delivery (printed on **yellow** paper) that accompanied the Offer to Purchase and related Circular dated September 3, 2004 (the "Offer and Circular") or a manually signed facsimile thereof.

Each of the board of directors of Sylre and a special committee of directors of Sylre has determined that the Offer is fair to Shareholders and is in the best interests of Sylre, and has recommended that Shareholders accept the Offer and tender their Sylre Shares to the Offer. For further information, refer to the Directors' Circular of Sylre dated October 7, 2004 previously sent to you.

The Dealer Manager for the Offer is:
Northern Securities Inc.

October 19, 2004

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

Questions and requests for assistance may be directed to the Dealer Manager or to the Depositary for the Offer. Additional copies of this document, the Offer and Circular, the Letter of Transmittal (printed on **pink** paper) and the Notice of Guaranteed Delivery (printed on **yellow** paper) may also be obtained without charge from the Depositary at the address and telephone number set forth on the back cover of this document.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

Neither the United States Securities and Exchange Commission (the “SEC”) nor any state securities commission has passed upon the accuracy or adequacy of the Offer and Circular as varied by this Notice of Extension or the Northern Shares. Any representation to the contrary is a criminal offence.

The Offer is made by a Canadian issuer in accordance with Canadian law and the disclosure requirements of Canada which are different from those of the United States. Shareholders should be aware that such requirements are different from the disclosure requirements in the United States. Financial statements included, or incorporated by reference, in the Offer and Circular have been prepared in accordance with Canadian accounting standards, which may not be comparable to the financial statements of United States companies.

The enforcement by investors of rights and civil liabilities under United States federal securities laws may be affected adversely by the fact that the Offeror is incorporated under the laws of the Province of Ontario, that its officers and directors are residents of Canada and that substantially all of the assets of the Offeror and of said persons may be located outside the United States. It may be difficult to compel a foreign company and its affiliates to subject themselves to a United States court’s judgment.

Shareholders should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of the Sylre Shares subject to the Offer or certain related securities during the period of the Offer, as permitted by applicable laws or regulations of Canada or its provinces or territories.

Shareholders should be aware that a tender of Sylre Shares under the Offer by, or the acquisition by the Offeror or its affiliates of Sylre Shares from, a Shareholder may have tax consequences both in the United States and Canada. Such consequences for Shareholders who are resident in or citizens of the United States are not fully described herein. Such Shareholders are urged to consult their own tax advisors.

NOTICE OF EXTENSION

TO: THE HOLDERS OF SHARES OF SYLRE LTD. (“SYLRE”)

This Notice of Extension amends the offer to purchase dated September 3, 2004 (the “Offer to Purchase”) and accompanying circular (the “Circular” and, together with the Offer to Purchase, the “Offer and Circular”), as supplemented by the notice of change dated September 27, 2004 (the “Notice of Change”) and as varied and extended by the Notice of Variation and Extension dated October 7, 2004 (the “Notice of Variation”). Except as otherwise set forth in this Notice of Extension, the information, terms and conditions in the Offer and Circular, as supplemented by the Notice of Change and as varied by the Notice of Variation, continue to be applicable in all respects and this Notice of Extension should be read in conjunction with the Offer and Circular, the Notice of Change and the Notice of Variation, provisions of which (as hereby amended) are incorporated herein by reference. References to the “Offer” means the offer by Northern Financial Corporation (the “Offeror”) to acquire all of the outstanding common shares of Sylre (“Sylre Shares”) set out in the Offer and Circular, as supplemented by the Notice of Change and as varied by the Notice of Variation, and as further amended by this Notice of Extension.

1. Extension of the Offer

The Offeror has extended the expiry time of the Offer from 5:00 p.m. (Toronto time) on October 19, 2004 to 5:00 p.m. (Toronto time) on November 5, 2004, or such later time and date or times and dates as we may fix from time to time pursuant to Section 4 of the Offer to Purchase, “Extension and Variation of the Offer”, unless withdrawn.

2. Conditions to the Offer

On October 19, 2004, the Offeror issued a press release announcing that all of the conditions to the Offer had been satisfied and that the Offeror was extending the Offer on the terms set out herein and would be taking up and paying for all Sylre Shares tendered to the Offer.

3. Take-Up of Deposited Sylre Shares

The Offeror will take up and pay for the Sylre Shares deposited under the Offer and not withdrawn no later than 10 days from the Expiry Time, and will pay for the Sylre Shares taken up as soon as possible, but, in any event not later than three business days after taking up the Sylre Shares. See Section 5 of the Offer to Purchase, “Payment for Deposited Shares”.

4. Right to Withdraw Deposited Shares

Shareholders have the right to withdraw Sylre Shares deposited pursuant to the Offer under the circumstances and in the manner described in Section 7 of the Offer to Purchase, “Right to Withdraw Deposited Shares”.

5. Directors’ Approval

The contents of this Notice of Extension have been approved, and the sending thereof to the Shareholders has been authorized, by the board of directors of the Offeror.

6. Offerees' Statutory Rights

Securities legislation in certain of the provinces and territories of Canada provides securityholders of Sylre with, in addition to any other rights that they may have at law, rights of rescission or damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for the particulars of those rights or consult with a lawyer.

APPROVAL AND CERTIFICATE OF THE OFFEROR

The contents of this Notice of Extension have been approved by, and the sending thereof to the Shareholders has been authorized by, the Board of Directors. The foregoing, together with the Offer to Purchase and Circular dated September 3, 2004, the Notice of Change dated September 27, 2004 and the Notice of Variation and Extension dated October 7, 2004, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the securities which are the subject of the Offer.

Dated: October 19, 2004.

(Signed) “Vic Alboini”
Chairman, President and Chief
Executive Officer

(Signed) “Richard Pinkerton”
Acting Chief Financial
Officer

On behalf of the board of directors

(Signed) “Ian Bradley”
Director

(Signed) “Wes Roitman”
Director

The Depository for the Offer is:

Computershare Trust Company of Canada

By Mail:

P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario
M5C 3H2

Attn: Corporate Actions Department

By Facsimile Transmission:

(416) 981-9663

For Information Telephone:
1-866-982-8786

By email:

service@computershare.com

By Hand or by Courier

100 University Avenue
9th Floor
Toronto, Ontario
M5J 2Y1

Attn: Corporate Actions Department

The Dealer Manager for the Offer is:

Northern Securities Inc.

150 York Street
Suite 1814
Toronto, Ontario
M5H 3S5

Tel: 416-644-8108

Attn: Richard Pinkerton

Any questions and requests for assistance may be directed by Shareholders to the Depository or Dealer Manager at the telephone number and location set out above.

