

Dear Investor of Poseidon Concepts Corp:

Re: *Goldsmith v National Bank Financial Inc*, Ontario Superior Court of Justice File No.: CV-14-509246-00CP (“Proposed NBF Class Proceeding”)

Please take notice that the Proposed NBF Class Proceeding has been discontinued pursuant to an Order of the Ontario Superior Court of Justice dated July 12, 2016.

Background

The Proposed NBF Class Proceeding arises from the circumstances of Poseidon Concepts Corp (“Poseidon”). Between November 2012 and February 2013, Poseidon disclosed that it had improperly recognized revenues and accounts receivable in violation of International Financial Reporting Standards. In April 2013, Poseidon secured protection from its creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, by virtue of an Order of the Alberta Court of Queen’s Bench. Poseidon is currently the subject of an insolvency proceeding pending before the Alberta Court of Queen’s Bench.

In February 2013 and July 2014, proposed class proceedings were commenced in the Ontario Superior Court of Justice against, respectively, National Bank of Canada (“NBC”) and National Bank Financial Inc (“NBF”), alleging in each case that the defendants were “influential persons” of Poseidon within the meaning of Part XXIII.1 of the Ontario *Securities Act*, RSO 1990, c S.5 (“OSA”), and that they knowingly influenced the release of Poseidon’s disclosures.

The proposed class proceeding against NBC was dismissed

Under Part XXIII.1 of the OSA, leave of court is required to pursue a proposed claim against a defendant. In order to grant leave, the court must be satisfied that the proposed claim has a reasonable possibility of success.

In May 2015, the Ontario Superior Court of Justice released its reasons (2015 ONSC 2746), denying leave under Part XXIII.1 to pursue the proposed claim against NBC. In so holding, the Court concluded that the proposed claim did not have a reasonable prospect of success. In January 2016, the Court of Appeal for Ontario affirmed the order denying leave (2016 ONCA 22).

The Proposed NBF Class Proceeding has been discontinued

The proposed claim against NBF is substantially similar to the proposed claim against NBC, which has been dismissed as discussed above. Accordingly, the parties sought to discontinue the Proposed NBF Class Proceeding, which discontinuance was granted by way of an Order dated July 12, 2016, which is available at <http://www.siskinds.com/poseidon-concepts-corp-2/>. The Proposed NBF Class Proceeding was discontinued on July 21, 2016.

The other class proceedings arising from the circumstances of Poseidon are ongoing

There are several other proposed class proceedings arising from the circumstances of Poseidon, which are currently ongoing subject to Poseidon’s insolvency proceedings.

We regularly provide updates, as they become available, regarding the class proceedings related to Poseidon at <http://www.siskinds.com/poseidon-concepts-corp-2/>. For information regarding Poseidon's insolvency proceedings, please visit <http://www.pwc.com/ca/en/services/insolvency-assignments/poseidon.html>. Should you have any questions, please do not hesitate to contact Siskinds LLP at nicole.young@siskinds.com or (800) 461-6166 x 2380.