

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes an 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. **These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, these securities may not be offered or sold or delivered within the United States of America except in transactions exempt from registration under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See “Plan of Distribution”.**

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 the Secretary of Colabor Group Inc. at 1620 de Montarville Boulevard, Boucherville, Québec, J4B 8P4, telephone (450) 449-4911 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

April 20, 2010



5.70% Convertible Unsecured Subordinated Debentures

This short form prospectus qualifies the distribution of \$50,000,000 aggregate principal amount of 5.70% convertible unsecured subordinated debentures (the “**Debentures**”) of Colabor Group Inc. (the “**Corporation**” or “**Colabor**”) at a price of \$1,000 per \$1,000 principal amount of Debentures (the “**Offering**”). The Debentures bear interest at an annual rate of 5.70% payable semi-annually, not in advance, on April 30 and October 31 in each year, commencing on October 31, 2010 (an “**Interest Payment Date**”). The maturity date of the Debentures will be April 30, 2017 (the “**Maturity Date**”). Further particulars concerning the attributes of the Debentures are set out under “*Description of the Debentures*”.

The terms and offering price of the Debentures were determined by negotiation between the Corporation and National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and Laurentian Bank Securities Inc. (collectively, the “**Underwriters**”). See “*Plan of Distribution*”.

National Bank Financial Inc. and TD Securities Inc. are wholly-owned indirect subsidiaries of Canadian chartered banks that are currently lenders to the Corporation and its subsidiaries under revolving and non-revolving bank credit facilities (collectively the “Credit Facilities”). Consequently, the Corporation may be considered to be a connected issuer of these two Underwriters for the purposes of securities legislation in certain Canadian jurisdictions. See “*Relationship Between the Corporation and Certain Persons*”.

Debenture Conversion Privilege

Each Debenture will be convertible into common shares of the Corporation (“**Common Shares**”) at the option of the holder at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Corporation for redemption of the Debentures at a conversion price of \$16.85 per Common Share (the “**Conversion Price**”), being a conversion rate of approximately 59.347 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in accordance with the trust indenture governing the terms of the Debentures. Holders converting their Debentures will receive, as the case may be, accrued and unpaid interest thereon for the period from the last Interest Payment Date on their Debentures to and including the last record date prior to such conversion used to determine entitlement to receive dividends on the Common Shares. Notwithstanding the foregoing, no Debentures may be converted during the five business days preceding April 30 and October 31 in each year, commencing October 31, 2010, as the registers of the Debenture Trustee (as defined herein) will be closed during such periods. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price, are set out under “*Description of the Debentures - Conversion Privilege*”.

The Debentures may not be redeemed by the Corporation on or before April 30, 2015 (except in certain limited circumstances following a Change of Control (as defined herein)). After April 30, 2015 and prior to April 30, 2016, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “TSX”) for the 20 consecutive trading days ending five trading days prior to the date on which notice of a redemption is given exceeds 125% of the Conversion Price. On or after April 30, 2016 and prior to the Maturity Date, the Debentures may be redeemed in whole or in part at the option of the Corporation on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Subject to required regulatory approval and provided that there is not a current Event of Default (as defined herein), the Corporation may, at its option, and upon at least 40 days and not more than 60 days prior notice, elect to satisfy its obligation to pay the principal amount of the Debentures on redemption or at maturity, in whole or in part, through the issuance of freely tradable Common Shares. Payment would then be satisfied by delivering that number of freely tradable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or maturity, as applicable. Any accrued or unpaid interest will be paid in cash. Further particulars of the interest, redemption, repurchase and maturity provisions of the Debentures are set out under “Description of the Debentures”.

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”. The TSX has conditionally approved the listing of the Debentures to be issued under the Offering and the Common Shares issuable on conversion, maturity or redemption of the Debentures. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX. The Common Shares into which the Debentures are convertible are listed and posted for trading on the TSX under the symbol “GCL”. On April 19, 2010, the closing price of a Common Share on the TSX was \$12.27.

Price: \$1,000 per Debenture

	Price to the Public	Underwriters’ Fee ⁽¹⁾	Net Proceeds ⁽²⁾
Per Debenture	\$ 1,000	\$ 40	\$ 960
Total Offering	\$ 50,000,000	\$ 2,000,000	\$ 48,000,000

Notes:

- (1) The Underwriters’ fee with respect to the Debentures is payable in full upon closing of the Offering and represents 4% of the Offering price of the Debentures.
- (2) After deducting the Underwriters’ fee but before deducting the expenses of the Offering, which are estimated to be approximately \$500,000.

The Underwriters, as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued, sold and delivered by the Corporation to, 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 by McCarthy Tétrault LLP, as counsel to the Corporation, and Fasken Martineau DuMoulin LLP, as counsel to the Underwriters.

In connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Debentures at levels other than those which might otherwise prevail on the open market. Such transaction, if commenced, may be discontinued at any time. **The Underwriters may offer the Debentures at a price lower than that stated above. See “Plan of Distribution”.**

The Debentures and the Common Shares issuable upon conversion are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that Act or any other legislation.

Subscriptions for Debentures 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. The Debentures will be issued in “book-entry only” form through the facilities of CDS Clearing and Depository Services Inc. (“CDS”). Except as otherwise stated herein, holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures. The closing of the Offering is expected to occur on or about April 27, 2010 (the “Closing Date”), or such other date as the Corporation and the Underwriters may agree.

The head and registered office of the Corporation is located at 1620 de Montarville Boulevard, Boucherville, Québec, J4B 8P4.

An investment in the Debentures involves certain risks that are described in the “*Risk Factors*” section of, and elsewhere in, this short form prospectus, including in the Corporation’s annual information form for the year ended December 31, 2009, dated February 24, 2010 (the “**AIF**”) (pages 18 to 24 of the AIF) and in the Corporation’s management’s discussion and analysis for the period ended December 31, 2009, dated February 24, 2010 (pages 25 and 26 of such management’s discussion and analysis), all of which are incorporated by reference herein.

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FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain forward-looking information within the meaning of applicable securities laws with respect to Colabor. All information and statements other than statements of historical fact contained in this short form prospectus and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding the future financial position, cash distributions, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving Colabor. Prospective investors can identify many of these statements by looking for words such as “may”, “could”, “should”, “would”, “will”, “expect”, “intend”, “plan”, “project”, “estimate”, “anticipate”, “believe”, “seek”, “target”, “strive” or “continue”, or the negative thereof or similar variations. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this short form prospectus. Although management believes that the expectations reflected in such forward-looking statements are reasonable and represent Colabor’s internal expectations and belief at this time, there can be no assurance that such expectations will prove to be correct.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: (i) ability to maintain relationships with existing customers; (ii) changes in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (iii) changes in the cost of products sourced from third party manufacturers and sold through Colabor’s distribution network; (iv) changes in Canadian income tax laws; (v) changes in distribution and retail market and in consumer preference; (vi) competition from other food products and non-food products distributors; (vii) new government regulations affecting Colabor’ business and operations; and (viii) other factors discussed or referenced in the “*Risk Factors*” section. See “*Risk Factors*”.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this short form prospectus as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, the Corporation does not intend, and does not assume any obligation, to update or revise these forward-looking statements.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These factors should not be construed as exhaustive. Colabor undertakes no obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

The reader is further cautioned that the preparation of financial statements, in accordance with GAAP requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses.

FINANCIAL INFORMATION AND CURRENCY

The financial statements of the Corporation incorporated by reference or included in this short form prospectus are reported in Canadian dollars and have been prepared in accordance with Canadian GAAP. Except as otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars and references to \$ are to Canadian dollars.

DOCUMENTS INCORPORATED BY REFERENCE

Documents of the Corporation

The following documents of the Corporation, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada where the Corporation is a reporting issuer, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

1. the annual information form of the Corporation for the year ended December 31, 2009, dated February 24, 2010;
2. the audited consolidated financial statements of the Corporation together with the auditors’ report thereon and the notes thereto and management’s discussion and analysis of the financial condition and operations of the Corporation as at and for the years ended December 31, 2009 and 2008;
3. the Fund’s information circular dated July 21, 2009 in relation the special meeting of unitholders of the Fund held on August 19, 2009 for the purpose of approving the conversion of the Fund into a corporate entity pursuant to a plan of arrangement involving, *inter alia*, ConjuChem Biotechnologies Inc.;

4. the Corporation's information circular dated March 30, 2010 in relation to the annual general meeting of the Corporation's shareholders to be held on April 28, 2010; and
5. the material change report of the Corporation dated April 8, 2010 relating to the Offering.

Please also note that the Corporation, formerly named "ConjuChem Biotechnologies Inc.", is the entity resulting from the Arrangement. The terms of the Arrangement were described in the circular described in item 3 above, which was filed under the Fund's SEDAR profile (the "**Fund Circular**"), as well as in an information circular of the Corporation (then named "ConjuChem Biotechnologies Inc."), dated July 17, 2009, which was filed under the Corporation's SEDAR profile (the "**ConjuChem Circular**"). Given that the Fund Circular provides more meaningful information to the Corporation's current and future securityholders and that the ConjuChem Circular is relatively irrelevant to the Corporation's securityholders, this short form prospectus incorporates by reference the Fund Circular and does not incorporate by reference the ConjuChem Circular.

Any documents of the type described in Section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus Distributions filed by the Corporation with a securities commission or similar authority in any of the provinces of 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. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes 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. 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.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, subject to the qualifications and assumptions discussed under the heading "*Certain Canadian Federal Income Tax Considerations*", and subject to the terms and conditions of any particular plan or account, provided the Debentures and the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at the time of acquisition, the Debentures and the Common Shares issuable on the conversion, redemption or maturity of the Debentures, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") as of the date hereof for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (except, in the case of the Debentures, a deferred profit sharing plan to which the Corporation, or an employer that does not deal at arm's length with the Corporation, has made a contribution), registered education savings plans, registered disability savings plans and tax-free savings accounts ("**TSFA**").

Notwithstanding the foregoing, if the Debentures or the Common Shares are "prohibited investments" for a trust governed by a TSFA, a holder of such account will be subject to a penalty tax as set out in the Tax Act and, based on the amendments to the Tax Act proposed by the Minister of Finance, other tax consequences may result. Debentures and Common Shares will generally be "prohibited investments" if the holder of a TSFA does not deal at arm's length with the Corporation for the purposes of the Tax Act or the holder of a TSFA has a "significant interest" (within the meaning of the Tax Act) in the Corporation or a Corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act. Holders of a TSFA should consult their own tax advisors in this regard.

COLABOR GROUP INC.

The Corporation was incorporated by certificate of incorporation issued pursuant to the provisions of the Canada Business Corporation Act (the “**CBCA**”) as 6513590 Canada Inc. on February 1, 2006. On April 10, 2006, the Corporation amended its articles to change its name to “ConjuChem Biotechnologies Inc.” (“**ConjuChem**”), to remove share transfer restrictions, and to restate its authorized share capital to repeal all classes of shares other than common shares.

Colabor Income Fund (the “**Fund**”) was an unincorporated, open-ended, limited purpose trust that was established under the laws of the Province of Québec under a Declaration of Trust dated May 19, 2005.

On July 8, 2009, the Fund announced its intention to convert from an income trust structure to a corporation. In order to effect the conversion, the Fund entered into an arrangement agreement with ConjuChem in order to conclude the conversion pursuant to a statutory plan of arrangement of ConjuChem under Section 192 of the CBCA (the “**Arrangement**”).

Upon completion of the Arrangement on August 25, 2009, the Corporation became the owner of all the interests in the Fund and changed its name to “Colabor Group Inc.” On this same date, the trustees of the Fund became the directors of the Corporation and unitholders of the Fund, who became shareholders of the Corporation, did not retain any interest in the business operated by the Corporation before the Arrangement. These activities were continued by a corporate entity now known as “ConjuChem Biotechnologies Inc.”. On November 1, 2009, the Corporation completed an internal reorganization of its structure that included the liquidation and wind-up of the Fund in the Corporation. See the section “*Recent Developments*” at page 7 of the AIF for further details of the Fund’s conversion into a corporate entity and its subsequent corporate reorganization.

Colabor Limited Partnership (“**Colabor LP**”) is a limited partnership established under the laws of the Province of Québec and, pursuant to a limited partnership agreement dated May 19, 2005, as amended on June 28, 2005 and on October 30, 2009. The General Partner of Colabor LP is Colabor Management Inc., a corporation incorporated under the CBCA.

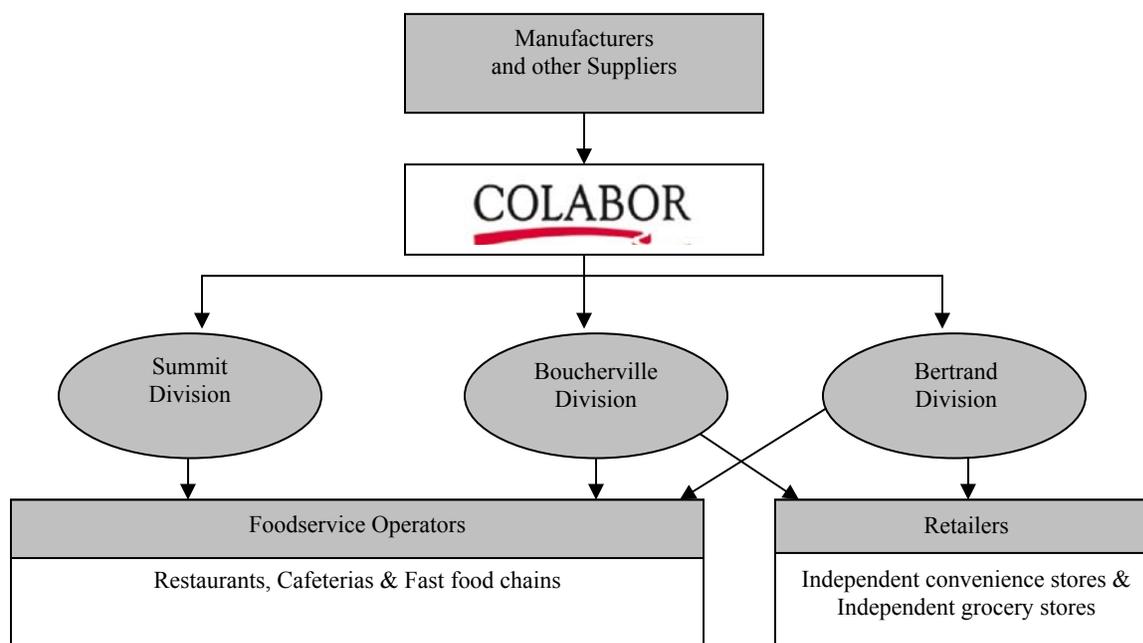
The head and registered office of Colabor is located at 1620 de Montarville Blvd., Boucherville, Québec, J4B 8P4. Colabor also has registered offices located at 6270 Kenway Drive, Mississauga, Ontario, L5T 2N3, 100 Legacy Road, Ottawa, Ontario, K1G 5T8, 580 Industrial Road, London, Ontario, N5V 1V1 and 333, High Ridge Court, Cambridge, Ontario, N1R 7L3; Colabor also has places of business at 820 Alphonse-Desrochers, Lévis, Québec G7A 5H9 and 1870 St-Paul Blvd., Saguenay, Québec, G7K 1C9.

BUSINESS OF THE CORPORATION

Established in 1962 as a buying group, Colabor, together with its wholly-owned subsidiary, Colabor LP, is a wholesaler of food products, food-related products and non-food products which the Corporation buys and supplies to distributors, who in turn distribute to their clients carrying business in the areas of retail or food services.

Colabor LP is operated via three distinct divisions: (i) the Boucherville Division; (ii) the Summit Division, operated by Summit Food Service Distributors Inc. prior to its acquisition by Colabor LP in January 2007 and (iii) the Bertrand Division operated by Gestion Bertrand & Frères Inc. prior to its acquisition in April 2008 and subsequent merger with Colabor on November 1, 2009.

The following chart illustrates the relationship between manufacturers and other suppliers, Colabor through its Boucherville Division, Summit Division and Bertrand Division, wholesale distributors (certain of whom are affiliated-wholesalers) and retail and foodservice customers:



RECENT DEVELOPMENTS

The Corporation intends to disclose its results for the first quarter ended March 26, 2010 on April 28, 2010, concurrently with its annual general meeting. The seasonal nature of the food service industry results in the consolidated results of the Corporation for the first quarter to be historically lower than those of its three other quarters.

The Corporation's recent quarterly revenues have been affected by economic conditions, particularly in central Canada. This trend, although lessening, has continued in the first quarter of 2010 and, as such, based on its preliminary estimates, management expects sales for the first quarter of 2010 to be lower than sales in the first quarter of 2009. This is due to the current economic situation, and other factors such as the loss of an important customer of the Summit division, as previously disclosed on October 7, 2009, and due to the fact that the first quarter of 2010 was one day shorter than the first quarter of 2009. The Corporation's other business activities, such as those conducted through the Boucherville division and the Bertrand division, have remained relatively healthy. The Corporation's focus on costs and efficiency is such that management expects EBITDA margins to be comparable or greater than in the comparable period last year.

USE OF PROCEEDS

The estimated net proceeds from the Offering, after deducting fees payable to the Underwriters and the expenses of the Offering payable by the Corporation will be approximately \$47,500,000. The net proceeds will be used by the Corporation to enhance its financial flexibility by reducing existing indebtedness under its current Credit Facilities. A portion of approximately \$20,600,000 of the Credit Facilities was used to finance the purchase, on April 28, 2008, of Gestion Bertrand & Frères Inc. by Colabor LP while the balance was used (and will continue to be used) for general corporate purposes. See "*Relationship Between the Corporation and Certain Persons*".

The key objective that the Corporation expects to achieve using the net proceeds of the Offering is to reduce the indebtedness under the Credit Facilities to provide the Corporation with improved flexibility to continue with its growth strategy, which includes acquisitions. At this time, the Corporation does not have any specific binding commitments with respect to acquisitions nor does it have any specific material capital projects that it intends to undertake. Since acquisitions involve negotiations with third parties it is not possible to give a definitive timeline as to when or, even if, the Corporation will complete any business acquisition. The completion of any such acquisitions could result in the payment of cash, incurrence of additional indebtedness or the issuance of additional securities of the Corporation.

While the Corporation intends to use the net proceeds of the Offering as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in the Corporation's best interests.

DESCRIPTION OF THE DEBENTURES

The Debentures will be issued under and pursuant to an indenture (the "**Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Debenture Trustee**"). The following description of the Debentures is a summary of their material attributes and characteristics, which does not purport to be complete and is qualified in its entirety by reference to the Indenture. The following summary uses words and terms which will be defined in the Indenture. For full particulars, reference is made to the Indenture.

General

The Debentures will be issued under and pursuant to the provisions of the Indenture to be entered into between the Corporation and the Debenture Trustee. The Debentures will be limited to the aggregate principal amount of \$50,000,000. The Corporation may, however, from time to time, without the consent of the holders of the outstanding debentures of the Corporation, issue debentures in addition to the Debentures offered hereby.

The Debentures will be dated as of the Closing Date and will mature on April 30, 2017. The Debentures will be issuable only in denominations of \$1,000 and integral multiples thereof.

At the closing of the Offering, the Debentures will be available for delivery in book-entry form only through the facilities of CDS. Holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under "*Description of the Debentures - Book Entry, Delivery and Form*".

The Debentures will bear interest from the date of issue at 5.70% per annum, which will be payable semi-annually on the April 30 and October 31 in each year, commencing on October 31, 2010, computed on the basis of a 365-day year. The first payment will represent accrued interest for the period from the closing of the Offering up to, but excluding, October 31, 2010. The interest on the Debentures will be payable in lawful money of Canada as specified in the Indenture. Subject to any required regulatory approval and provided no Event of Default (as defined hereafter) has occurred and is continuing, the Corporation shall have the option to pay such interest by delivering a number of Common Shares to an agent for sale, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest owed from the proceeds of the sale of the requisite number of Common Shares by the agent. See "*Description of the Debentures - Interest Payment Election*" below. The Indenture will not contain a requirement for the Corporation to increase the amount of interest or other payments to holders of Debentures should the Corporation become required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts.

The principal on the Debentures will be payable in lawful money of Canada or, at the option of the Corporation and subject to applicable regulatory approval, by delivery of Common Shares to satisfy in whole or in part its obligation to repay principal under the Debentures as further described under "*Description of the Debentures - Payment upon Redemption or Maturity*" and "*Description of the Debentures - Redemption and Purchase*".

The Debentures will be direct obligations of the Corporation and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Corporation as described under "*Description of the Debentures - Subordination*". The Indenture will not restrict the Corporation from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its assets to secure any indebtedness.

The Debentures will be transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Montréal, Québec.

Conversion Privilege

The Debentures will be convertible at the holder's option into fully paid, non-assessable and freely tradable Common Shares at any time prior to the close of business on the earlier of the Maturity Date and the last business day immediately preceding the date specified by the Corporation for redemption of the Debentures, at a price of \$16.85 (the "**Conversion Price**") per Common Share, being a ratio of approximately 59.347 Common Shares per \$1,000 principal amount of Debentures. No adjustment will be made for dividends on Common Shares issuable upon conversion or for interest accrued on Debentures surrendered for conversion. However, holders converting their Debentures will receive, as the case may be, accrued and unpaid

interest thereon for the period from the date of the last Interest Payment Date to and including the last record date prior to such conversion used to determine entitlement to receive dividends on the Common Shares. For greater certainty, if there is no record date between the last Interest Payment Date and the date of conversion, no interest will be paid for such period. Holders converting their Debentures shall become holders of record of Common Shares on the business day immediately following the date of conversion. Notwithstanding the foregoing, no Debentures may be converted during the five business days preceding April 30 and October 31 in each year, commencing October 31, 2010, as the registers of the Debenture Trustee will be closed during such periods.

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Rights in certain events including: (i) the subdivision or consolidation of the outstanding Common Shares; (ii) the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or other distribution; (iii) the issuance of options, rights or warrants to all or substantially all the holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares at less than 95% of the then Current Market Price (as defined hereafter) of the Common Shares; and (iv) the distribution to all or substantially all holders of Common Shares of any securities or assets (other than cash dividends and equivalent dividends in securities paid in lieu of cash dividends in the ordinary course).

Provided the Common Shares are then listed on the TSX, the term “Current Market Price” will be defined in the Indenture to mean the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event.

There will be no adjustment of the Conversion Price in respect of any event described in (ii), (iii) or (iv) above if, subject to prior regulatory approval, if required, the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date. The Corporation will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%. In the case of any reclassification or change (other than a change resulting only from consolidation or subdivision) of the Common Shares or in case of any amalgamation, consolidation or merger of the Corporation with or into any other entity, or in the case of any sale, transfer or other disposition of the properties and assets of the Corporation as, or substantially as, an entirety to any other entity, the terms of the conversion privilege shall be adjusted so that each Debenture shall, after such reclassification, change, amalgamation, consolidation, merger or sale, be exercisable for the kind and amount of securities or property of the Corporation, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, change, amalgamation, consolidation, merger or sale if on the effective date thereof it had been the holder of the number of Common Shares into which the Debenture was convertible prior to the effective date of such reclassification, change, amalgamation, consolidation, merger or sale.

No fractional Common Shares will be issued on any conversion of the Debentures, but in lieu thereof the Corporation shall satisfy such fractional interest by a cash payment equal to the relevant fraction of the Current Market Price of a whole Common Share. Upon conversion, the Corporation may offer and the converting holder may agree to the delivery of cash for all or a portion of the Debentures surrendered in lieu of Common Shares.

Redemption and Purchase

The Debentures may not be redeemed by the Corporation on or before April 30, 2015 (except in certain limited circumstances following a Change of Control). See “*Description of the Debentures - Repurchase upon a Change of Control*” below. After April 30, 2015 and prior to April 30, 2016, the Debentures may be redeemed in whole or in part from time to time at the option of the Corporation on not more than 60 days and not less than 30 days prior written notice at a redemption price equal to their principal amount plus accrued and unpaid interest thereon, provided that the Current Market Price of the Common Shares on the date on which notice of redemption is given exceeds 125% of the Conversion Price. On or after April 30, 2016 and prior to the Maturity Date, the Debentures may be redeemed by the Corporation, in whole or in part, from time to time on not more than 60 days and not less than 30 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX.

The Corporation or any of its affiliates will have the right to purchase Debentures in the market, by tender, or by private contract, provided however that, if an Event of Default has occurred and is continuing, the Corporation or any of its affiliates will not have the right to purchase Debentures by private contract.

Payment upon Redemption or Maturity

Upon redemption (the “**Redemption Date**”) or on the Maturity Date, the Corporation will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. The Corporation may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to any required regulatory approvals, unless an Event of Default has occurred and is continuing, elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing and delivering freely tradable Common Shares to the holders of the Debentures. Payment would then be satisfied by delivering that number of freely tradable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price on the date fixed for redemption or maturity, as applicable. Any accrued and unpaid interest will be paid in cash.

No fractional Common Shares will be issued to holders of Debentures, but in lieu thereof, the Corporation shall satisfy such fractional interest by a cash payment equal to the relevant fraction of the Current Market Price of a whole Common Share.

Cancellation

All Debentures converted, redeemed or purchased will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the Debentures will have priority over the payment of any dividends on the Common Shares, but will be subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Indenture, to the prior payment in full of all existing and future Senior Indebtedness of the Corporation. “Senior Indebtedness” of the Corporation will be defined in the Indenture as the principal of and premium, if any, and interest on and other amounts in respect of all unsubordinated indebtedness of the Corporation (whether outstanding as at the date of Indenture or thereafter incurred), other than indebtedness evidenced by the Debentures and all other existing and future debentures or other instruments of the Corporation which, by the terms of the instrument creating or evidencing the indebtedness, is expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures or other indebtedness ranking *pari passu* with the Debentures. The Debentures will be effectively structurally subordinate to claims of creditors (including trade creditors and holders of subordinated debt) of the Corporation subsidiaries, and will rank *pari passu* to all future subordinated unsecured indebtedness of the Corporation, except to the extent that the Corporation is a creditor of any such subsidiary ranking at least *pari passu* with such other creditors.

The Indenture will provide that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation or reorganization or other similar proceedings relating to the Corporation, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Corporation, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Corporation, then holders of Senior Indebtedness will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon.

The Indenture will also provide that the Corporation will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including, without any limitation, by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures at any time when a default or an event of default has occurred under the Senior Indebtedness and is continuing or upon the acceleration of certain Senior Indebtedness and the notice of such default or event of default or acceleration has been given by or on behalf of holders of Senior Indebtedness to the Corporation, unless such notice has been revoked, such default or event of default has been cured or the Senior Indebtedness has been repaid or satisfied in full as defined in the Indenture.

The Debenture Trustee and the Corporation will also be authorized (and obligated upon any request from certain holders of Senior Indebtedness) under the Indenture to enter into subordination agreements on behalf of the holders of Debentures with any holder of Senior Indebtedness.

Repurchase upon a Change of Control

Within 30 days following the occurrence of a Change of Control of the Corporation, the Corporation will be required to make an offer to purchase all of the Debentures (the “**Debenture Offer**”) at a price equal to 100% of the principal amount thereof (the “**Offer Price**”) plus accrued and unpaid interest thereon. A Change of Control will be deemed to occur upon: (i) an

acquisition by a person or group of persons acting jointly or in concert (within the meaning of the *Securities Act* (Québec) (the “**Securities Act**”)) of ownership of, or voting control or direction over, 50% or more of the Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation, but excludes a sale, merger, reorganization, or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting control in such merged, reorganized or other continuing entity.

The Indenture contains notification and repurchase provisions requiring the Corporation to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly mail to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase following a Change of Control, the Corporation will have the right to redeem all the remaining Debentures on the purchase date, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee by the Corporation within 10 days following expiry of the right of the holders of the Debentures to require repurchase after the Change of Control and, as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

The Corporation will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of the Debentures in the event of a Change of Control.

Cash Change of Control

If a Change of Control occurs on or before April 30, 2016 in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange (a “**Cash Change of Control**”), then subject to regulatory approvals, during the period beginning ten trading days before the anticipated date on which the Change of Control becomes effective (the “**Effective Date**”) and ending on the 30th day after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures at a new conversion price (the “**Change of Control Conversion Price**”) calculated as follows:

$COCCP = OCP / (1 + (CP \times (c/t)))$ where:

COCCP is the Change of Control Conversion Price;

OCP is the Conversion Price in effect on the Effective Date;

CP = 35.0%;

c = the number of days from and including the Effective Date to but excluding April 30, 2016; and

t = the number of days from and including the Closing Date to but excluding April 30, 2016.

In the event that the Change of Control Conversion Price calculated in accordance with the formula above is less than any regulatory permitted discount to market price, the Change of Control Conversion Price shall be deemed to be that implied by the maximum permitted discount to market price.

Interest Payment Election

Unless an Event of Default has occurred and is continuing, the Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (the “**Interest Obligation**”), on an Interest Payment Date, (i) in cash; (ii) by delivering sufficient Common Shares to the Debenture Trustee, for sale, to satisfy the Interest Obligation on the Interest Payment Date, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares (the “**Common Share Interest Payment Election**”); or (iii) any combination of (i) and (ii) above.

The Indenture will provide that, upon the Corporation making a Common Share Interest Payment Election, the Debenture Trustee shall (i) accept delivery from the Corporation of Common Shares; (ii) accept bids with respect to, and consummate sales of, such Common Shares, each as the Corporation shall direct in its absolute discretion through the investment

banks, brokers or dealers identified by the Corporation; (iii) invest the proceeds of such sales in securities issued or guaranteed by the Government of Canada which mature prior to the applicable Interest Payment Date, and use the proceeds received from investment in such permitted government securities, together with any additional cash provided by the Corporation, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incidental thereto.

The Indenture will set forth the procedures to be followed by the Corporation and the Debenture Trustee in order to effect the Common Share Interest Payment Election. If a Common Share Interest Payment Election is made, the sole right of a holder of Debentures in respect of interest will be to receive a cash payment equal to the interest owed on his Debentures from the Debenture Trustee out of the proceeds of the sale of Common Shares (plus any amount received by the Debenture Trustee from the Corporation) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the Corporation in respect of the Interest Obligation.

Notwithstanding the foregoing, neither the Corporation's making of the Common Share Interest Payment Election nor the consummation of sales of Common Shares will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date; or (b) entitle or require such holders to receive any Common Shares in satisfaction of the Interest Obligation.

Modification

The rights of the Debentureholders as well as any other series of debentures that have been or may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture will contain certain provisions which make binding on all Debentureholders' resolutions passed at meetings of the Debentureholders by votes cast thereat by holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the then outstanding Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the then outstanding Debentures. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of each particularly affected series of debentures, as the case may be. Under the Indenture, certain amendments may be made to the Indenture without the consent of the Debentureholders.

Events of Default

The Indenture will provide that an event of default ("**Event of Default**") in respect of the Debentures will occur if certain events described in the Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at maturity, upon redemption, by declaration or otherwise; or (iii) certain events of bankruptcy, insolvency or reorganization of the Corporation under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding Debentures, declare the principal of (and premium, if any) and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of a majority of the principal amount of Debentures then outstanding may, on behalf of the holders of all Debentures, waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

Offers for Debentures

The Indenture will contain provisions to the effect that if an offer is made for the Debentures which is a take-over bid for Debentures within the meaning of the Securities Act and not less than 90% of the Debentures (other than Debentures 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 Debentures held by Debentureholders who did not accept the offer on the terms offered by the offeror.

Book Entry, Delivery and Form

Debentures will be issued in the form of fully registered global Debentures (the "**Global Debentures**") held by, or on behalf of, CDS or its successor (the "**Depository**"), as custodian for its participants.

All Debentures will be represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures will not receive Debentures in definitive form. Rather, the Debentures will be represented only in "book-entry only" form (unless the Corporation, in its sole discretion, elects to prepare and deliver definitive Debentures in fully registered form). Beneficial interests in the Global Debentures, constituting ownership of the Debentures, will be represented through book-entry accounts of institutions (including the Underwriters) acting on behalf of beneficial owners, as direct and indirect participants of the Depository (the "**participants**"). Each purchaser of a Debenture

represented by a Global Debenture will receive a customer confirmation of purchase from the Underwriter or registered dealer from whom the Debenture is purchased in accordance with the practices and procedures of the selling Underwriter or registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in Global Debentures.

If the Depository notifies the Corporation that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation and the Debenture Trustee are unable to locate a qualified successor, or if the Corporation elects, in its sole discretion, to terminate the book-entry system, with the consent of the Debenture Trustee, or if under certain circumstances described in the Indenture, an Event of Default has occurred, beneficial owners of Debentures represented by Global Debentures at such time will receive Debentures in registered and definitive form (the “**Definitive Debentures**”).

Transfer and Exchange of Debentures

Transfers of beneficial ownership in Debentures represented by Global Debentures will be effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the Corporation elects, in its sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository’s book entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Global Debentures, may do so only through participants in the Depository’s book-entry system.

The ability of a beneficial owner of an interest in a Debenture represented by a Global Debenture to pledge the Debenture or otherwise take action with respect to such owner’s interest in a Debenture represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Montréal, Québec or such other city or cities as may from time to time be designated by the Corporation, whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer of a Debenture will be registered on any Interest Payment Date or during the five business days preceding the Interest Payment Date or on any Redemption Date or during the five business days preceding the Redemption Date.

Payments

Payments of interest and principal on each Global Debenture will be made to the Depository or its nominee, as the case may be, as the registered holder of the Global Debenture. As long as the Depository or its nominee is the registered owner of a Global Debenture, such Depository or its nominee, as the case may be, will be considered the sole legal owner of the Global Debenture for the purposes of receiving payments of interest and principal on the Debentures and for all other purposes under the Indenture and the Debentures. Interest payments on Global Debentures will be made by electronic funds transfer or by cheque on the day interest is payable and delivered to the Depository or its nominee, as the case may be.

The Corporation understands that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of a Global Debenture, will credit participants’ accounts, on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such Global Debenture as shown on the records of the Depository or its nominee. The Corporation also understands that payments of interest and principal by participants to the owners of beneficial interests in such Global Debenture held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such participants. The responsibility and liability of the Corporation in respect of payments on Debentures represented by the Global Debenture is limited solely and exclusively, while the Debentures are registered in Global Debenture form, to making payment of any interest and principal due on such Global Debenture to the Depository or its nominee.

If Definitive Debentures are issued instead of or in place of Global Debentures, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the holder of the Definitive Debenture, or by cheque dated the Interest Payment Date and mailed to the address of the holder appearing in the register maintained by the registrar for the Debentures at least one business day prior to the applicable Interest Payment Date. Payment of principal at maturity will be made at the principal office of the paying agent in the City of Montreal (or in such other city or cities as may from time to time be designated by the Corporation) against surrender of the Definitive Debentures, if any.

Governing Laws

Each of the Indenture and the Debentures will be governed by, and construed in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein to contracts executed and to be performed entirely in such Province.

DESCRIPTION OF SHARE CAPITAL

The Corporation's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, all without par value. The holders of Common Shares of the Corporation are entitled to receive the dividends if, as and when declared by the board of directors and to cast one vote in respect of each Common Share held at any meeting of the shareholders and, upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, to participate in the distribution of assets of the Corporation, subject to the rights and conditions attaching to the preferred shares of the Corporation.

The Common Shares into which the Debentures are convertible are listed for trading on the TSX under the symbol "GCL". As at April 19, 2010, there were 21,329,087 Common Shares issued and outstanding and one Series "A" preferred share, issued to Colabor LP in the context of the internal reorganization completed November 1, 2009, issued and outstanding.

Debentures (the "**2007 Debentures**") have been issued under an indenture (the "**2007 Indenture**") dated January 4, 2007, between the Fund and Computershare Trust Company of Canada assumed by the Corporation following the internal reorganization completed on November 1, 2009. As at April 19, 2010, an aggregate of \$31,943,000 principal amount of 2007 Debentures were issued and outstanding.

EARNINGS COVERAGE RATIO

The Corporation's earnings before interest and income tax expense for the year ended December 31, 2009 were \$22,944,000. The Corporation's interest expense, before giving effect to the issuance of the Debentures, for the year ended December 31, 2009 amounted to \$6,265,000, for an earnings to interest coverage ratio of 3.7 times.

The Corporation's *pro forma* interest requirements, after giving effect to the issuance of the Debentures (and including the repayment of indebtedness under the Credit Facilities and any servicing costs incurred in relation to the Debentures and repayment), for the year ended December 31, 2009 would have amounted to \$8,566,000, for an earnings to interest coverage ratio of 2.7 times.

Since the Debentures and the 2007 Debentures are convertible into Common Shares, they are accounted for, in part, as equity. The liability portion of the Debentures and the 2007 Debentures is accreted up to the face value of the Debentures and 2007 Debentures during the period they are outstanding, resulting in non-cash interest charges. The aforementioned ratios have been calculated including these non-cash interest charges. If those securities had been accounted for in their entirety as debt for the purpose of calculating the aforementioned ratios, the interest requirements would have been reduced by the amount of these non-cash charges, bringing them to \$7,758,000 for the year ended December 31, 2009. The earnings coverage ratio, for the year ended December 31, 2009, calculated as though those securities had been accounted for as debt, would have been 2.9 times.

The earnings coverage ratios set forth above have been calculated using financial information that was prepared in accordance with Canadian GAAP. The *pro forma* earnings assume that there are no additional earnings derived from the net proceeds of the Debentures. Earnings coverage is equal to net income before interest expense on all long-term debt, debentures and bank loans, and income taxes, divided by interest expense on all long-term debt, debentures and bank loans. In this section, "interest" and "interest expenses" includes accretion and other financial expenses.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at the dates indicated before and after the completion of the Offering. This table should be read in conjunction with the financial statements of the Corporation incorporated by reference into this short form prospectus.

(\$000s)	As at December 31, 2009	As at December 31, 2009 after giving effect to the Offering
Bank loan ⁽¹⁾	49,335	1,835
Long-Term Debt	943	943
Common Shares (Units in 2008)	143,018	143,018
2007 Debentures	46,711	46,711
2007 Debentures Conversion Option	2,314	2,314
Debentures	--	45,125
Debentures Conversion Option	--	2,375

(1) Excludes the bank overdraft of \$17,126,000 as at December 31, 2009.

PRIOR SALES

Fund Units and Common Shares

The following table details the 2007 Debentures converted by their respective holders during the last 12-month period. The conversion price per Common Share (or, before completion of the Arrangement on August 25, 2009, unit of the Fund) issued upon conversion of 2007 Debentures was \$10.25.

<u>Month</u>	<u>Principal Amount of 2007 Debentures Converted</u>	<u>Number of Common Shares Issued</u>
July 2009	\$ 15,000	1,463
January 2010	\$ 197,000	19,219
February 2010	\$ 376,000	36,682
March 2010	\$ 16,498,000	1,609,554
April 2010 (through April 19, 2010)	\$ 41,000	4,000

Options

On March 1, 2010, the Corporation granted 70,000 options to purchase Common Shares pursuant to the Corporation's stock option plan at an exercise price of \$11.49 per Common Share. No other options to purchase Common Shares were granted by the Corporation in the 12 months preceding this Offering.

TRADING PRICE AND VOLUME

The Common Shares and 2007 Debentures are listed and trade (and the units of the Fund were listed and traded) on the TSX. The trading symbols for the Common Shares and 2007 Debentures are "GCL" and "GCL.DB", respectively, while the trading symbol for the units of the Fund was "CLB.UN" until completion of the Arrangement and the trading symbol of the 2007 Debentures was "CLB.DB" until November 4, 2009. The following table shows, for trades made through the facilities of the TSX only, the range of high and low as at the close of market of the Common Shares (or units of the Fund) and 2007 Debentures for each month in the twelve-month period ended March 31, 2010 and for the 19-day period ended April 19, 2010.

<u>Month</u>	<u>Units or Shares</u> ⁽¹⁾			<u>Debentures</u> ⁽²⁾		
	<u>High</u>	<u>Low</u>	<u>Total Volume (Units or Shares, as the case may be)</u>	<u>High</u>	<u>Low</u>	<u>Total Volume (debentures)</u>
April 2009	\$ 9.14	\$ 8.75	218,633	\$ 100.00	\$ 96.10	807,000
May 2009	\$ 10.20	\$ 9.10	879,684	\$ 104.00	\$ 99.99	1,451,000
June 2009	\$ 10.34	\$ 9.93	497,256	\$ 103.75	\$ 101.25	531,000
July 2009	\$ 11.25	\$ 10.04	735,835	\$ 107.00	\$ 102.00	688,000
August 2009 ⁽¹⁾	\$ 10.81	\$ 10.54	704,148	\$ 106.00	\$ 103.13	419,000
September 2009	\$ 10.61	\$ 9.81	842,876	\$ 105.00	\$ 101.00	732,000
October 2009	\$ 10.27	\$ 9.78	1,270,768	\$ 103.50	\$ 101.50	331,000
November 2009	\$ 10.60	\$ 10.25	570,377	\$ 105.00	\$ 103.00	364,000
December 2009	\$ 11.23	\$ 10.47	1,043,693	\$ 108.00	\$ 103.80	1,160,000
January 2010	\$ 11.77	\$ 10.95	1,389,519	\$ 114.00	\$ 104.62	2,356,000
February 2010	\$ 11.76	\$ 11.49	1,907,443	\$ 113.71	\$ 110.50	8,999,000
March 2010	\$ 12.57	\$ 11.48	2,297,067	\$ 120.00	\$ 111.75	6,784,000
April 2010 (through April 19, 2010)	\$ 12.50	\$ 12.15	1,168,845	\$ 121.56	\$ 118.00	3,158,000

(1) The conversion of the Fund to a corporation was completed on August 25, 2009.

(2) The 2007 Debentures began to trade under the symbol "GCL.DB" on November 4, 2009. Prior to this date, the 2007 Debentures were listed and traded under the symbol "CLB.DB".

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the Underwriting Agreement dated April 13, 2010 (the "**Underwriting Agreement**"), the Corporation has agreed to issue and sell and the Underwriters have agreed to purchase, jointly and not solidarily (the equivalent of severally in common law), on the Closing Date, being April 27, 2010 or such other date as may be agreed upon by the Corporation and the Underwriters, subject to the conditions in the Underwriting Agreement, an aggregate \$50,000,000 principal amount of Debentures, payable in cash to the Corporation against delivery by the Corporation of certificates evidencing the Debentures. The Debentures are being offered to the public in all of the provinces of Canada. The terms and conditions were determined by negotiation between the Corporation and the Underwriters. The Underwriting Agreement provides that the Corporation will pay the Underwriters' fee of \$40 per \$1,000 principal amount of Debentures in consideration for their services in connection with the Offering.

The TSX has conditionally approved the listing of the Debentures issued under the Offering and the Common Shares issuable on conversion, maturity or redemption of the Debentures. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX.

The obligations of the Underwriters under the Underwriting Agreement are joint and not solidary and may be terminated at their discretion upon the occurrence of certain stated events. If an Underwriter fails to purchase the Debentures which it has agreed to purchase and the aggregate number of Debentures failed to be purchased exceeds 7.5% of the Debentures, the other Underwriters may, but are not obligated to, purchase such Debentures. The Underwriters are, however, obligated to take up and pay for all Debentures if any Debentures are purchased under the Underwriting Agreement. The Underwriters propose to offer the Debentures to the public initially at the Offering price and in the principal amount, respectively, specified on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Debentures at the Offering price and in the principal amount, respectively, specified on the cover page, the Offering price for the Debentures may be decreased and may be further changed from time to time to amounts not greater than those set forth on the cover page. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers of the Debentures is less than the amount paid by the Underwriters to the Corporation.

Pursuant to rules and regulations of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Debentures. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Debentures. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules for Canadian Marketplaces of Market Regulation Services Inc. relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may effect transactions that stabilize or maintain the market price of

the Debentures at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time.

The Corporation has agreed with the Underwriters, subject to certain exceptions, not to issue, offer, sell, contract to sell or otherwise issue any Common Shares or any securities convertible into or exercisable or exchangeable for any Common Shares or financial instruments convertible into or exercisable or exchangeable for Common Shares, or announce any intention to effect any of the foregoing, for a period of 90 days from the date of closing without the prior written consent of National Bank Financial Inc., on behalf of the Underwriters, which consent may not be unreasonably withheld.

The Debentures and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) issued or made subject to issuance under the Offering have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Underwriters have agreed that they will not offer, sell or deliver Debentures within the United States, except pursuant to certain transactions that are exempt from registration under the U.S. Securities Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Securities within the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Debentures within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

The Debentures will be issued in book-entry only form and must be purchased or transferred through a CDS participant. At closing, the Corporation will cause a global certificate or certificates representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. All rights of holders of Debentures must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Debentures holds such Debentures. See “*Description of the Debentures - Book Entry, Delivery and Form*”.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder of Debentures who acquires Debentures at the price set forth on the cover of this short form prospectus pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, holds the Debentures and will hold the Common Shares issuable on the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) as capital property, and deals at arm's length and is not affiliated with either the Corporation or the Underwriters (a “**Holder**”). Generally, the Securities will be considered to be capital property to a Holder provided that the Holder does not hold the Securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who are residents of Canada and who might not otherwise be considered to hold their Debentures and Common Shares 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.

This summary is not applicable to a Holder: (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules); (ii) that is a “specified financial institution” (as defined in the Tax Act); (iii) an interest in which is a “tax shelter investment” (as defined in the Tax Act); or (iv) who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such Holder should consult its own tax advisor with respect to an investment in the Securities.

This summary is based on the provisions of the Tax Act in force at the date hereof, all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), as well as counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the “**CRA**”). This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial 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 is not intended to be, nor should it be construed to be, legal or tax advice to a particular Holder of Securities, and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. This summary is not exhaustive of all Canadian federal income tax consequences. Consequently, Holders and prospective Holders should consult their own tax advisors for advice with

respect to the tax consequences to them of acquiring the Securities pursuant to the Offering, having regard to their particular circumstances.

Holders Resident in Canada

The following discussion applies to a Holder of Securities who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is resident in Canada (a “**Resident Holder**”).

Taxation of Interest on Debentures

A Resident Holder of Debentures 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 any interest on the Debentures that accrues to it to the end of the taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual, will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year. In addition, if at any time a Debenture should become an “investment contract” (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Debenture up to any “anniversary day” (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in computing the Resident Holder's income for that year or a preceding year.

A Resident Holder of Debentures that throughout the relevant taxation year is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay the refundable tax of 6% on its “aggregate investment income”, which is defined in the Tax Act to include interest income.

As described above under the heading “*Description of the Debentures - Cash Change of Control*”, the Corporation may elect to pay interest by issuing Common Shares to the Debenture Trustee for sale, in which event a Resident Holder would be entitled to receive a cash payment equal to the interest owed to the Resident Holder from the proceeds of sale of such Common Shares by the Debenture Trustee. If the Corporation were to pay interest in this manner, the Canadian federal income tax consequences to a Resident Holder would generally be the same as those described above.

Exercise of the Conversion Privilege

Generally, a Resident Holder who converts a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) pursuant to the conversion privilege will be deemed not to have disposed of the Debenture and, accordingly, will not recognize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a Resident Holder who, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby recognizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Resident Holder receives on the conversion by the amount of the cash received.

Upon a conversion of a Debenture, interest accrued thereon will be included in computing the income of the Resident Holder as described above under “*Taxation of Interest on Debentures*”. A deduction is generally available to the extent that a Resident Holder could be required to include amounts accrued after the last record date preceding a conversion in the calculation of a Resident Holder's income.

The aggregate cost to a Resident Holder of the Common Shares acquired on the conversion of a Debenture will generally be equal to the aggregate of the Resident Holder's adjusted cost base of the Debenture immediately before the conversion, subject to the discussion above regarding cash in lieu of a fraction of a Common Share. The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at the time.

Disposition of Debentures

A disposition or deemed disposition of a Debenture by a Resident Holder, including a redemption, payment on maturity, purchase for cancellation but not including the conversion of a Debenture into Common Shares pursuant to the Resident

Holder's right of conversion described above, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of accrued interest, are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Taxation of Capital Gains and Capital Losses*".

If the Corporation pays any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to the Resident Holder, the Resident Holder's proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (except consideration received in satisfaction of accrued interest). The Resident Holder's cost base of the Common Shares so received will be equal to the fair market value of such Common Shares. The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at the time.

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon will be included in computing the income of the Resident Holder as described above under "*Taxation of Interest on Debentures*".

Receipt of Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received or deemed to be received on such Resident Holder's Common Shares.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the normal gross-up and dividend tax credit rules applicable to dividends received from taxable Canadian corporations under the Tax Act. Dividends received from a taxable Canadian corporation which are designated by such Corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act.

Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

In the case of a Resident Holder that is a corporation, the amount of any such dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. Certain Corporations, including a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act of 33 1/3% on dividends received (or deemed to be received) in a taxation year to the extent that such dividends are deductible in computing the corporation's taxable income for the year. This tax will generally be refunded at a rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Disposition of Common Shares

A disposition or deemed disposition of a Common Share by a Resident Holder (except to the Corporation) will generally result in the resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Common Share are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable cost of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, one half of any capital gain realized by a Resident Holder (a "**taxable capital gain**") in a taxation year will be included in the Resident Holder's income for the year, and one half of any capital loss realized by a Resident Holder (an "**allowable capital loss**") in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a 6 2/3% refundable tax on certain investment income including taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Holders Not Resident in Canada

The following discussion applies to a Holder of Securities who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is neither a resident of Canada nor deemed to be resident in Canada (a “**Non-Resident Holder**”). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere or an authorized foreign bank (as defined in the Tax Act).

Taxation of Interest on Debentures

A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of, or in satisfaction of, interest or principal on the Debentures. However, a Non-Resident Holder who transfers or is deemed to transfer a Debenture to a holder resident or deemed to be resident in Canada for purposes of the Tax Act should consult its own tax advisor for advice with respect to the tax consequences of such transfer.

Exercise of Conversion Privilege

The conversion of a Debenture into Common Shares only on the exercise of a conversion privilege by a Non-Resident Holder will generally be deemed not to constitute a disposition of the Debenture and, accordingly, a Non-Resident Holder will not recognize a gain (or loss) on such conversion.

Disposition of Debentures and Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of Debentures or Common Shares, as the case may be, unless the Non-Resident Holder’s Debentures or Common Shares are, or are deemed to be, “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable tax treaty between Canada and the country of residence of the Non-Resident Holder. As long as the Debentures, and in the case of Common Shares, the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at the time of disposition, the Debentures and the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless, (a) at any time during the 60-month period preceding the disposition, the Non-Resident Holder, persons not dealing at arm’s length with such Non-Resident Holder or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of the capital stock of the Corporation and more than 50% of the fair market value of the Common Shares was derived, directly or indirectly, from real or immoveable property situated in Canada, Canadian resource properties, timber resource properties or options or interests in such properties (as such terms are defined in the Tax Act); or (b) the Common Shares or Debentures are otherwise deemed to be taxable Canadian property. A Non-Resident Holder owning Debentures or Common Shares that may constitute taxable Canadian property should consult its tax advisors prior to a disposition thereof.

Receipt of Dividends on Common Shares

Where a Non-Resident Holder receives or is deemed to receive a dividend on Common Shares, the amount of such dividend will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Holder’s country of residence. Where the Non-Resident Holder is a resident of the United States who is entitled to benefits under the *Canada-United States Income Tax Convention (1980)* and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

RISK FACTORS

An investment in the Debentures is subject to certain risks. In addition to the risks described below relating to the ownership of the Debentures, reference is made to the “*Risk Factors*” section of the AIF of the Corporation dated February 24, 2010 and to the “*Risks and Uncertainties*” section of the Corporation’s management discussion and analysis for the period ended

December 31, 2009 and dated February 24, 2010, which are incorporated herein by reference. Such risk factors could have a materially adverse effect on the future results of operations, business prospects or financial condition of the Corporation, and could cause actual events to differ materially from those described in forward-looking statements. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems to be immaterial, may also have an adverse effect upon the Corporation.

Trading Market for Debentures

The Debentures constitute a new issue of securities of the Corporation for which there is currently no public market. Even though an application has been made to list the Debentures on the TSX, there can be no assurance that such listing application will be accepted by the TSX. The Debentures may trade at a discount from their offering price depending on prevailing interest rates, the market for similar securities, the performance of the Corporation and other factors. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected.

Moreover, the market price of the Common Shares may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at an advantageous price. Additionally, this may result in greater volatility in the market price of the Debentures than would be expected for non-convertible debt securities. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Statements*". These broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

Existing and Prior Ranking Indebtedness

The Debentures will be subordinate to all Senior Indebtedness (including existing Credit Facilities) of the Corporation and rank *pari passu* with the 2007 Debentures. The Debentures will also be effectively subordinate to claims of creditors of the Corporation's subsidiaries except to the extent the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the Corporation, the assets of the Corporation would be made available to satisfy the obligations of the creditors of such Senior Indebtedness before being available to pay the Corporation's obligations to Debentureholders. Accordingly, all or a substantial portion of the Corporation's assets could be unavailable to satisfy the claims of the Debentureholders.

Within the next fiscal year of the Corporation, approximately \$14 million of consolidated indebtedness as at the date hereof will become due, after giving effect to the Offering and the proposed use of net proceeds therefrom. See "*Use of Proceeds*". Therefore, the Corporation will need to refinance or reimburse amounts outstanding under the Corporation's existing consolidated indebtedness. There can be no assurance that any indebtedness of the Corporation will be refinanced or that additional financing on commercially reasonable terms will be obtained, if at all. Recent market events and conditions, including disruptions in the international and regional credit markets and other financial systems and the deterioration of global economic conditions could impede the efforts of the Corporation to refinance the Corporation's consolidated indebtedness. In the event that such indebtedness cannot be refinanced, there can be no assurance that the assets of the Corporation would be sufficient to repay such indebtedness in full.

The ability of the Corporation to meet its debt service requirements will depend on its ability to generate cash in the future, which depends on many factors, including the financial performance of the Corporation, debt service obligations, working capital and future capital expenditure requirements. In addition, the ability of the Corporation to borrow funds in the future to make payments on outstanding debt will depend on the satisfaction of covenants in existing credit agreements and other agreements. A failure to comply with any covenants or obligations under the Corporation's consolidated indebtedness could result in a default, which, if not cured or waived, could result in the termination of distributions by the Corporation and permit acceleration of the relevant indebtedness. If such indebtedness were to be accelerated, there can be no assurance that the assets of the Corporation would be sufficient to repay such indebtedness in full. There can also be no assurance that the Corporation will generate cash flow in amounts sufficient to pay outstanding indebtedness or to fund any other liquidity needs.

Repayment of the Debentures

The Debentures mature on April 30, 2017. The Corporation may not be able to refinance the principal amount of the Debentures in order to repay the principal outstanding or may not have generated enough cash from operations to meet this obligation. There is no guarantee that the Corporation will be able to repay the outstanding principal amount upon maturity of the Debentures.

Prevailing Yields on Similar Securities

Prevailing yield on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

Absence of Covenant Protection

The Indenture will not restrict the Corporation or any of its subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness or other financing. The Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation or any of its subsidiaries.

Redemption on a Change of Control

The Corporation will be required to offer to purchase all outstanding Debentures upon the occurrence of a Change of Control. However, it is possible that following a Change of Control, the Corporation will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. See “*Description of the Debentures – Cash Change of Control*”. The Corporation’s ability to purchase the Debentures in such an event may be limited by law, by the Indenture governing the Debentures, by the terms of other present or future agreements relating to the Credit Facilities and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation’s future debt. The Corporation’s future credit agreements or other agreements may contain provisions that could prohibit the purchase by the Corporation of the Debentures. The Corporation’s failure to purchase the Debentures would constitute an Event of Default under the Indenture, which might constitute a default under the terms of the Corporation’s other indebtedness at that time. If a holder of Debentures converts its Debentures in connection with a Change of Control that occurs, the Corporation may, in certain circumstances, be required to increase the conversion rate as described under “*Description of the Debentures – Cash Change of Control*”. While the increased conversion rate is designed, *inter alia*, to compensate a holder of Debentures for the lost option time value of its Debentures as a result of a Change of Control in certain circumstances, the increased conversion rate amount is only an approximation of such lost value and may not adequately compensate the holder for such loss. In addition, in some circumstances as described under “*Description of the Debentures – Cash Change of Control*” no adjustment will be made.

Redemption Prior to Maturity

The Debentures may be redeemed, at the Corporation’s option, subject to certain conditions, on or after May 1, 2015 and prior to the Maturity Date in whole or in part, at a redemption price equal to the principal amount thereof, together with any accrued and unpaid interest, as described under “*Description of the Debentures - Redemption and Purchase*”. Holders of Debentures should assume that this redemption option will be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Debentures.

Conversion Following Certain Transactions

In the event of certain transactions, pursuant to the terms of the Indenture, each Debenture will become convertible into securities, cash or property receivable by a holder of Common Shares in such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures. For example, if the Corporation were acquired in a cash merger, each Debenture would become convertible solely into cash that would no longer be convertible into securities whose value would vary depending on the Corporation’s future prospects and other factors. See “*Description of the Debentures - Conversion Privilege*”.

Credit Risk

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of the Corporation and its creditworthiness.

Dilution

The Corporation may determine to redeem outstanding Debentures for Common Shares or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Common Shares. The issuance of additional Common Shares may have a dilutive effect on the Corporation’s shareholders and an adverse impact on the price of Common Shares, which may also adversely impact the price of the Debentures.

Change in Tax Laws

The Indenture will not contain a requirement that the Corporation increase the amount of interest or other payments to holders of Debentures in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN PERSONS

National Bank Financial Inc. and TD Securities Inc. are wholly-owned indirect subsidiaries of Canadian chartered banks that are currently lenders to the Corporation under the Credit Facilities for an aggregate amount of \$28,938,000 in respect of National Bank Financial Inc. and of \$11,253,000 in respect of TD Securities Inc. as at March 27, 2010. Consequently, the Corporation may be considered a connected issuer of National Bank Financial Inc. and TD Securities Inc. under applicable securities laws in certain Canadian jurisdictions. The Corporation is in compliance with the terms of the Credit Facilities. Since the execution of the agreements relating to the Credit Facilities, the lenders thereunder have not waived a breach on the part of the Fund, the Corporation or their respective subsidiaries. The Credit Facilities are secured by a first ranking hypothec over the universality of the property of the Corporation and Colabor LP.

The decision to issue the Debentures and the determination of the terms of the distribution were made through negotiation among the Corporation and the Underwriters. The Canadian chartered banks which are lenders to the Corporation, including the Canadian chartered banks of which National Bank Financial Inc. and TD Securities Inc. are the respective subsidiaries, did not have any involvement in such decision or determination, but have been advised of the Offering and the terms thereof. Under the Offering, neither National Bank Financial Inc. nor TD Securities Inc. will receive any benefit other than their respective shares of the Underwriters' fee.

INTEREST OF EXPERTS

Certain legal matters in connection with the Offering will be passed upon by McCarthy Tétrault LLP on behalf of the Corporation and by Fasken Martineau DuMoulin LLP on behalf of the Underwriters. As of the date hereof, (a) the partners and associates of McCarthy Tétrault LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares or any of its associates or affiliates, and (b) the partners and associates of Fasken Martineau DuMoulin LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares or any of its associates or affiliates.

AUDITORS, TRANSFER AGENT AND REGISTRAR AGENT

The auditors of the Corporation are Raymond Chabot Grant Thornton LLP, Chartered Accountants, Montréal, Québec. The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., at its principal transfer office in Montréal, Québec.

The Debenture Trustee is Computershare Trust Company of Canada at its offices in Montréal, Québec.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, price revision 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 adviser.

GLOSSARY OF TERMS

The following terms used in this short form prospectus have the meanings set forth below, unless otherwise indicated:

“**2007 Debentures**” means the debentures issued pursuant to the 2007 Indenture;

“**2007 Indenture**” means the trust indenture dated January 4, 2007, between the Fund and Computershare Trust Company of Canada, and assumed by Colabor in the context of the internal reorganization completed November 1, 2009;

“**allowable capital loss**” means one half of any capital loss realized by a Resident Holder;

“**AIF**” means the Corporation’s annual information form for the year ended December 31, 2009, dated February 24, 2010;

“**AMF**” means the Autorité des marchés financiers;

“**Arrangement**” means the statutory plan of arrangement under the CBCA whereby the Fund was converted into a corporation, as more fully described under “*Colabor Group Inc.*”;

“**Cash Change of Control**” has the meaning attributed thereto under “*Description of the Debentures - Cash Change of Control*”;

“**CBCA**” the *Canadian Business Corporations Act*;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Change of Control**” has the meaning attributed thereto under “*Description of the Debentures - Repurchase upon a Change of Control*”;

“**Change of Control Conversion Price**” has the meaning attributed thereto under “*Description of the Debentures - Cash Change of Control*”;

“**Closing Date**” means the date of closing of the Offering;

“**Colabor LP**” means Colabor Limited Partnership (Colabor, société en commandite in its French version), of which the Corporation is the sole limited partner and Colabor Management Inc. is the sole general partner;

“**Common Shares**” means the common shares in the share capital of the Corporation;

“**Common Share Interest Payment Election**” has the meaning attributed thereto under “*Description of the Debentures – Interest Payment Election*”;

“**ConjuChem**” means ConjuChem Biotechnologies Inc., the corporation involved in the plan of arrangement whereby Colabor Income Fund became a corporation;

“**Conversion Price**” means \$16.85 per Common Share, subject to adjustment on the occurrence of certain events;

“**Corporation**” or “**Colabor**” means Colabor Group Inc., a corporation existing under the laws of Canada;

“**CRA**” means the Canada Revenue Agency;

“**Credit Facilities**” means the \$100 million Operating Facility and \$2.8 million Term Loan entered into by Colabor LP (and assumed by the Corporation in the context of the internal reorganization completed November 1, 2009), as more fully described in the AIF (and incorporated herein by reference) under “*Description of Capital Structure and Financing – Operating Facility*” and “*Description of Capital Structure and Financing – Term Loan*”;

“**Current Market Price**”, at any date, means the volume-weighted average trading price for the Common Shares on the TSX for the 20 consecutive trading days ending five trading days prior to the applicable date;

“**Debenture Offer**” has the meaning attributed thereto under “*Description of the Debentures – Repurchase upon a Change of Control*”;

“**Debenture Trustee**” means Computershare Trust Company of Canada;

“**Debentureholder**” means a holder of Debenture;

“**Debentures**” means the \$50,000,000 aggregate principal amount of 5.70% convertible unsecured subordinated debentures;

“**Definitive Debentures**” has the meaning attributed thereto in the Indenture;

“**Depository**” means CDS or its successor;

“**Effective Date**” has the meaning attributed thereto under “*Description of the Debentures - Cash Change of Control*”;

“**Event of Default**” means, in respect of the Debentures, the occurrence of certain events described in the Indenture, including (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at maturity, upon redemption, by declaration or otherwise; or (iii) certain events of bankruptcy, insolvency or reorganization of the Corporation under bankruptcy or insolvency laws;

“**Fund**” means Colabor Income Fund, a trust which existed under the laws of the Province of Québec and was wound-up into the Corporation on October 29, 2009;

“**GAAP**” means Canadian generally accepted accounting principles;

“**Global Debenture**” means Debentures issued in the form of fully registered global Debentures;

“**Holder**” means a person holding Securities;

“**Indenture**” means the trust indenture to be entered into at the Closing Date between the Corporation and the Debenture Trustee, governing the terms of the Debentures;

“**Interest Obligation**” has the meaning attributed thereto under “*Description of the Debentures – Interest Payment Election*”;

“**Interest Payment Date**” means the date that interest will be paid on the Debentures, payable semi-annually on April 30 and October 31 in each year, commencing on October 31, 2010, computed on the basis of a 365-day year;

“**Maturity Date**” means April 30, 2017;

“**Non-Resident Holder**” means a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is neither a resident of Canada nor deemed to be resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in carrying on a business in Canada;

“**Offer Price**” has the meaning attributed thereto under “*Description of the Debentures - Repurchase upon a Change of Control*”;

“**Offering**” means the distribution of Debentures under this short form prospectus;

“**participants**” has the meaning attributed thereto under “*Book Entry, Delivery and Form*”;

“**Proposed amendments**” has the meaning attributed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Redemption Date**” has the meaning attributed thereto under “*Description of the Debentures - Payment upon Redemption or Maturity*”;

“**Resident Holder**” means a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is resident in Canada;

“**Securities**” means the Debentures and the Common Shares;

“**Securities Act**” means the *Securities Act* (Québec);

“**Securities Commissions**” means the securities commissions or authorities in the provinces in which the Corporation is a reporting issuer;

“**Senior Indebtedness**” has the meaning ascribed thereto in the Indenture;

“**Tax Act**” means the Income Tax Act (Canada), R.S.C. 1985, c.1, (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

“**taxable capital gain**” has the meaning set forth under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*”;

“**TSFA**” means a tax-free savings account;

“**TSX**” means the Toronto Stock Exchange;

“**Underwriters**” means, collectively, National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and Laurentian Bank Securities Inc.;

“**Underwriting Agreement**” means the underwriting agreement dated April 13, 2010 between the Corporation and the Underwriters;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

AUDITORS' CONSENT

We have read the short form prospectus of Colabor Group Inc. (the "**Corporation**") dated April 20, 2010 qualifying the distribution of \$50,000,000 principal aggregate amount of 5.70% convertible unsecured subordinated debentures of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2009 and 2008 and the consolidated statements of earnings, retained earnings (deficit), contributed surplus and cash flows for the years then ended. Our report is dated February 12, 2010.

Montréal, Québec
April 20, 2010

(Signed)
Raymond Chabot Grant Thornton LLP
Chartered Accountants

CERTIFICATE OF THE CORPORATION

Dated: April 20, 2010

This short form prospectus, together with the documents incorporated 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 legislation of each of the provinces of Canada.

By: *(Signed)* Gilles C. Lachance
President and Chief Executive Officer

By: *(Signed)* Michel Loignon
Vice-President and Chief Financial Officer

On behalf of the Board of Directors

By: *(Signed)* Donald Dubé
Director

By: *(Signed)* Claude Gariépy
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 20, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated 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 legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.

By: *(Signed)* Louis Gendron

SCOTIA CAPITAL INC.

By: *(Signed)* Charles Émond

TD SECURITIES INC.

By: *(Signed)* Luc Ouellet

BMO NESBITT BURNS INC.

By: *(Signed)* Pierre-Olivier Perras

LAURENTIAN BANK SECURITIES
INC.

By: *(Signed)* David Hinchey