No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell these securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended or any state securities laws, and, subject to certain exceptions, may not be offered or sold within the United States. See "Plan of Distribution".

PROSPECTUS

Initial Public Offering November 26, 2003

GRIFFITHS MCBURNEY

GMP CAPITAL CORP.

$100,100,000

9,100,000 Common Shares

This offering (the "Offering") consists of an initial public offering by GMP Capital Corp. (the "Company") of 9,100,000 of its common shares (the "Common Shares"). The Company is a newly formed corporation that was incorporated to acquire, indirectly, through a series of transactions (the "Reorganization"), the business currently carried on by Griffiths McBurney & Partners and its subsidiaries. See "The Reorganization".

GMP is a leading Canadian investment dealer focused on serving corporate clients and institutional investors. It engages in investment banking, sales and trading and research activities through its offices in Toronto, Calgary, Montreal and Geneva, Switzerland.

The Common Shares are being offered in Canada by CIBC World Markets Inc., Griffiths McBurney & Partners, BMO Nesbitt Burns Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Haywood Securities Inc., McFarlane Gordon Inc. and Sprott Securities Inc. (collectively, the "Underwriters"). The offering price of the Common Shares was determined by negotiation between the Company and the Underwriters. See "Plan of Distribution". The Underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of the Common Shares. For a description of those activities, see "Plan of Distribution".

There is currently no market through which the Common Shares may be sold, and purchasers may not be able to resell the Common Shares purchased under this prospectus. The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Common Shares under the symbol "GMP". Listing is subject to the Company fulfilling all the requirements of the TSX on or before February 20, 2004, including the distribution of the Common Shares to a minimum number of public shareholders.

An investment in the Common Shares is subject to certain risks that should be considered by prospective purchasers. See "Risk Factors".

Price: $11.00 per Common Share

	Price to Public	Underwriters' Fee	Net Proceeds to the Company(1)
Per Common Share	$11.00	$0.66	$10.34
Total(2)	$100,100,000	$6,006,000	$94,094,000

Notes:

(1) Before deducting expenses of the Offering, estimated to be $2,000,000, which together with the Underwriters' Fee will be paid from the proceeds of this Offering. See "Plan of Distribution".

(2) The Company has granted the Underwriters an option (the "Over-Allotment Option"), exercisable for a period of 30 days from the date of the closing of this Offering, to purchase up to an additional 900,000 Common Shares at the Price to Public solely to cover any over-allotments and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriters' Fee and Net Proceeds to the Company will be $110,000,000, $6,600,000 and $103,400,000, respectively. This prospectus also qualifies the grant of the Over-Allotment Option and the Common Shares issuable on its exercise. See "Plan of Distribution".

In the opinion of counsel, the Common Shares will not be precluded as investments under certain statutes. See "Eligibility for Investment".

In connection with this Offering, the Company may be considered a "related issuer" and "connected issuer" of Griffiths McBurney & Partners, one of the Underwriters, under applicable securities laws. Until the completion of this Offering, Griffiths McBurney & Partners will continue to carry on its business and the partners of Griffiths McBurney & Partners will continue to own the outstanding partnership interests in Griffiths McBurney & Partners. BMO Nesbitt Burns Inc. is an indirect, majority-owned subsidiary of a Canadian chartered bank that is a lender to Griffiths McBurney & Partners. See "Relationship between the Company and Certain of the Underwriters". Accordingly, in connection with this Offering, the Company may also be considered a "connected issuer" of BMO Nesbitt Burns Inc. under applicable securities law. See "Relationship Between the Company and Certain of the Underwriters".

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Goodmans LLP and on behalf of the Underwriters by Torys LLP. Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that definitive certificates evidencing the Common Shares will be available for delivery at closing, which will take place on or about December 9, 2003 but in any event not later than December 31, 2003.

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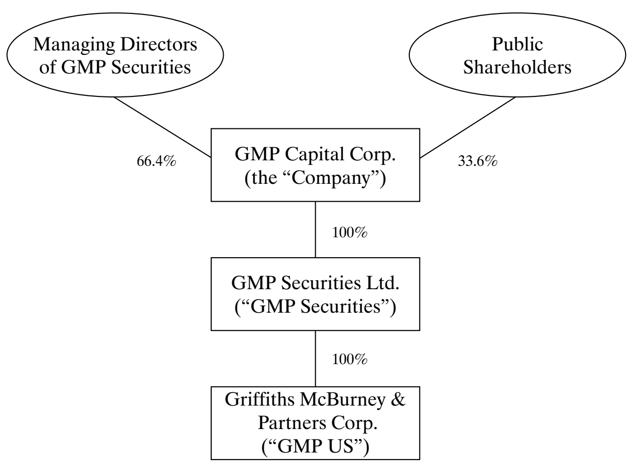
Unless the context indicates otherwise, all references to the "Company" refer to GMP Capital Corp., all references to "GMP Securities" refer to the principal operating subsidiary of the Company, GMP Securities Ltd. and all references to "GMP" refer to the business that is currently being carried on by Griffiths McBurney & Partners and its subsidiaries and, after completion of the Reorganization, will be carried on by the Company and its subsidiaries, including GMP Securities.

After completion of the Reorganization, the material corporate relationships of GMP will be as indicated in the following chart:



Unless otherwise indicated, the information contained in this prospectus assumes completion of the Reorganization and no exercise of the Over-Allotment Option by the Underwriters.

Unless otherwise indicated, all references to "partners" include all partners of Griffiths McBurney & Partners and other persons who participate in profits of Griffiths McBurney & Partners as though they are partners (specifically individuals who have provided subordinated loans to Griffiths McBurney & Partners).

PROSPECTUS SUMMARY

The following is a summary of the principal elements of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that should be considered before an investment in the Common Shares is made.

GMP

We are a leading Canadian independent investment dealer focused on serving corporate clients and institutional investors. We engage in investment banking, sales and trading and research activities, with more than 41 partners and 105 employees in our offices in Toronto, Calgary, Montreal and Geneva, Switzerland.

Our business was founded in March 1995 and is focused on creating an energetic and entrepreneurial firm that services both issuers and investors in the Canadian institutional equity market. Our strategic plan is to identify businesses with strong management teams and superior growth potential and assist those businesses in raising financing or completing strategic transactions that are expected to enable them to become more successful companies and valuable long-term clients.

Our core strategy involves making an early commitment to building strong personal relationships with our clients, both issuers and institutional investors, and devoting the financial and human resources necessary to ensure that those clients benefit from our ability to execute transactions effectively and consistently, with superior trading support and strong research coverage. We believe that this commitment to our clients has been an important element of our success and has established a strong foundation for our future growth.

We believe that our business expertise and reputation have now developed to a stage where we are able to, and do, compete with larger, bank-owned investment dealers. Recent independent surveys place us among Canada's leaders in equity underwriting and merger and acquisition activity. To expand our existing franchise, and to continue to compete effectively for new clients, we believe we need to enhance our ability to undertake increasingly larger transactions and expand the breadth of the products and services that we offer. We also intend to leverage the increasing awareness of our brand and franchise to create future business opportunities. Completion of this Offering is expected to assist us in achieving these objectives by securing access to public capital to fund growth, continue to attract and retain high quality professionals and pursue strategic transactions. See "GMP".

The Offering

Offering:	9,100,000 Common Shares. Up to 900,000 additional Common Shares, or approximately an additional 10%, may be issued to the Underwriters if the Over-Allotment Option is exercised.
Price:	$11.00 per Common Share.
Amount:	$100.1 million ($110 million if the Over-Allotment Option is exercised in full).
Shares Outstanding:	27,100,000 Common Shares will be outstanding after completion of this Offering (28,000,000 Common Shares if the Over-Allotment is exercised in full).
Use of Proceeds:	We will receive net proceeds from this Offering of approximately $92.1 million ($101.4 million if the Over-Allotment Option is exercised in full) after deducting fees payable to the Underwriters and estimated expenses of the Offering. We expect to use the net proceeds of this Offering to maintain the capital requirements of the Company, to support our existing business, to expand our investment banking and sales and trading activities, to fund strategic initiatives (including developing, through internal growth, acquisition or otherwise, merchant banking and retail/wealth management capabilities), to repay indebtedness, and for general corporate purposes. See "Use of Proceeds" and "The Reorganization".
Capital Reorganization:	In anticipation, and prior to the completion, of this Offering, the business carried on by Griffiths McBurney & Partners will be transferred to GMP Securities, all of the outstanding shares of which will be held by the Company upon completion of the Reorganization and this Offering. In connection with the Reorganization, the Company will reduce the paid-up capital on its Common Shares, all of which then will be held by the former partners of Griffiths McBurney & Partners, by up to $45 million. A portion of the net proceeds of this Offering will be used to satisfy the capital requirements of the Company. See "The Reorganization".
Dividend Policy:	Our board of directors currently intends to declare dividends on the outstanding Common Shares of approximately 25% of the Company's net earnings in any year. Dividends are expected to be declared and paid quarterly. Whether to declare any such dividend and the amount of any such dividend will be determined by our board of directors, in its sole discretion, after considering general business conditions, our financial results and other factors it determines to be relevant at the time. See "Dividend Policy".
Risk Factors:	An investment in the Common Shares is subject to certain risk factors that prospective investors should carefully consider, including risks related to: the securities business generally; underwriting activities; litigation and potential securities laws liability; credit risk and exposure to losses; ineffectiveness of risk management policies and procedures; reduced revenues due to a focus on relatively few industries; significant fluctuations in quarterly results; dependence on ability to retain and recruit personnel; competition; regulation; management of growth; dependence on systems; absence of prior market for common shares and fluctuations of market price; and future sales of shares. See "Risk Factors".

Summary *Pro Forma* Financial Information

The following selected *pro forma* financial data for the year ended January 31, 2003 and for the six months ended July 31, 2002 and 2003 is derived from the unaudited *pro forma* consolidated financial statements of the Company. The information set out below should be read in conjunction with "Summary *Pro Forma* Financial Statements" and the unaudited *pro forma* consolidated financial statements of the Company, including the notes thereto, appearing elsewhere in this prospectus.

Pro forma data reflects such adjustments as are necessary, in the opinion of management, for a fair presentation of the results of operations and shareholders' equity of the Company on a *pro forma* basis following the Reorganization and, where indicated, this Offering (as if the Reorganization and, where indicated, this Offering, had occurred at the beginning of the periods presented). More detailed information concerning these adjustments is set out in the notes to the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus. The *pro forma* financial data set out below is not necessarily indicative of either the results that actually would have been achieved if the Reorganization and, where applicable, this Offering had taken place or the results that may be obtained in the future.

	Fiscal Year Ended January 31, 2003	Six Months Ended July 31, 2002	Six Months Ended July 31, 2003
	(unaudited)	(unaudited)	(unaudited)
	(in $ thousands, except per share amounts)		
Pro forma net income	20,099	9,584	11,324
Adjusted *pro forma* net income(1)(2)	21,289	10,125	11,605
Adjusted *pro forma* net income per share(2)(3)	$1.18	$0.56	$0.64
Pro forma shareholders' equity	—	—	54,890
Pro forma shareholders' equity as adjusted for this Offering	—	—	101,984

(1) Adjusted *pro forma* net income reflects *pro forma* net income adjusted to add back settlement and related costs, net of tax.

(2) This data is considered to be a non-GAAP earnings measure and does not have any standardized meaning prescribed by GAAP. It is therefore unlikely to be comparable to similar measures presented by other issuers.

(3) Adjusted *pro forma* net income per share is calculated based on the weighted average number of shares outstanding after giving effect to the *pro forma* adjustments relating to the Reorganization. See the notes to the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus for more detailed information concerning these adjustments and the calculation of adjusted *pro forma* net income per share.

Summary Consolidated Financial Information

The following selected financial data for the years ended January 31, 2000, 2001, 2002 and 2003 is derived from the audited consolidated financial statements of Griffiths McBurney & Partners appearing elsewhere in this prospectus. The selected financial data for the six months ended July 31, 2002 and 2003 is derived from the unaudited financial statements of Griffiths McBurney & Partners appearing elsewhere in this prospectus. The information set out below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of Griffiths McBurney & Partners, including the notes thereto, appearing elsewhere in this prospectus. The information below reflects the historical results of Griffiths McBurney & Partners and its consolidated subsidiaries and does not give effect to the Reorganization. The consolidated financial statements of Griffiths McBurney & Partners have been prepared in accordance with generally accepted accounting principles.

	Fiscal Year Ended January 31				Six Months Ended July 31	
	2000	2001	2002	2003	2002	2003
	(audited)				(unaudited)	
	(in $ thousands)					
Income Statement Data						
Total revenue	97,687	127,338	98,111	96,332	48,355	50,936
Net income[(1)]	66,415	80,413	54,320	61,527	31,499	34,393
Adjusted income[(2)(3)]	—	—	—	32,657	15,544	17,799
Balance Sheet Data						
Total assets	—	—	335,525	258,349	—	271,855
Total liabilities	—	—	276,983	192,440	—	201,264
Partners' capital[(4)]	—	—	54,422	53,949	—	54,890

(1) Since GMP has historically operated in partnership form, all payments to partners have been accounted for as distributions to partners of capital or partnership income rather than as compensation expense, and net income has not reflected any payments to partners of Griffiths McBurney & Partners. As such, historical net income does not reflect certain expected operating costs, including partners' incentive compensation and corporate income taxes. As a corporation, the Company will include incentive compensation of the former partners, now managing directors, as a compensation and benefits expense. The Company also will include, as an expense, income taxes that will be paid at the corporate level. For financial information that reflects *pro forma* expenses as if Griffiths McBurney & Partners had been a corporation, see "Summary *Pro Forma* Financial Statements".

(2) Adjusted income reflects net income adjusted such that the portion of the partners' distribution relating to partners' incentive compensation is accounted for as a compensation and benefit expense (but without the consequent adjustments for tax).

(3) This data is considered to be a non-GAAP earnings measure and does not have any standardized meaning prescribed by GAAP. It is therefore unlikely to be comparable to similar measures presented by other issuers.

(4) Partners' capital includes subordinated loans to employees and partners' equity, but excludes partners' undistributed earnings.

THE COMPANY

The Company was incorporated under the *Canada Business Corporations Act* on October 20, 2003. The Company's head and registered office is at 145 King Street West, Suite 1100, Toronto, Ontario, M5H 1J8 and its head office telephone number is (416) 367-8600.

The Company was incorporated to acquire, through its wholly-owned subsidiary, GMP Securities, the business currently carried on by Griffiths McBurney & Partners and its subsidiaries. The Company is a holding company and its only current business is holding the shares of GMP Securities, a corporation incorporated under the laws of Canada. GMP Securities will carry on the business currently carried on by Griffiths McBurney & Partners directly and through its wholly-owned subsidiaries. The business is carried on in the United States by the Company's indirect, wholly-owned subsidiary, Griffiths McBurney & Partners Corp., a corporation incorporated under the laws of the Province of Ontario ("GMP US").

GMP

Background

We are a leading Canadian independent investment dealer focused on serving corporate clients and institutional investors. We engage in investment banking, sales and trading and research activities, with more than 41 partners and 105 employees in our offices in Toronto, Calgary, Montreal and Geneva, Switzerland.

Our business was founded in March 1995 and is focused on creating an energetic and entrepreneurial firm that services both issuers and investors in the Canadian institutional equity market. Our strategic plan is to identify businesses with strong management teams and superior growth potential and assist those businesses in raising financing or completing strategic transactions that are expected to enable them to become more successful companies and valuable long-term clients. These businesses typically were identified through the analysis of our professionals and the extensive networks of our founding partners.

Our core strategy involves making an early commitment to building strong personal relationships with our clients, both issuers and institutional investors, and devoting the financial and human resources necessary to ensure that those clients benefit from our ability to execute transactions effectively and consistently, with superior trading support and strong research coverage. We believe that this commitment to our clients has been an important element of our success and has established a strong foundation for our future growth.

We believe that our business expertise and reputation have now developed to a stage where we are able to, and do, compete with larger, bank-owned investment dealers. Our growth is evidenced by the increased size and frequency of transactions in which we are involved, the increased number of transactions in which we play a lead or co-lead role and, most importantly, the continued growth and success of our long-standing clients with whom we have maintained strong relationships. Recent independent surveys place us among Canada's leaders in equity underwriting and merger and acquisition activity.

To expand our existing franchise, and to continue to compete effectively for new clients, we believe we need to enhance our ability to undertake increasingly larger transactions and expand the breadth of the products and services that we offer. We intend to leverage the increasing awareness of our brand and franchise to create future business opportunities. Completion of this Offering is expected to assist us in achieving these objectives by securing access to public capital to fund growth, continue to attract and retain high quality professionals and pursue strategic transactions. We propose to use a portion of the net proceeds of this Offering to expand our existing business and develop (through internal growth, acquisition or otherwise) merchant banking and retail/wealth management capabilities. See "Use of Proceeds" and "Why We Are Going Public".

Services

Our business currently has three main elements: investment banking, equity sales and trading, and research.

Most of our revenue is derived from our investment banking activities and trading as agent for our institutional clients. We also derive smaller portions of our revenue from investing as principal and interest income. The following table provides a breakdown of our revenue for the fiscal years ended January 31, 2000, 2001, 2002 and 2003 and the six months ended July 31, 2002 and 2003:

	Fiscal Year Ended January 31				Six Months Ended July 31	
	2000	2001	2002	2003	2002	2003
	(audited)				(unaudited)	
	($ millions)					
Investment banking	$48.8	$ 67.5	$54.1	$52.8	$30.4	$29.8
Sales and trading	37.6	48.8	35.1	38.7	16.1	18.6
Principal activities	7.3	5.4	3.9	(1.9)	—	1.4
Interest and dividends	3.0	5.3	3.9	2.6	1.6	1.5
Other	1.0	0.3	1.1	4.1	0.3	(0.3)
Total revenue	$97.7	$127.3	$98.1	$96.3	$48.4	$51.0

Investment Banking

Our investment banking business consists primarily of public and private corporate financing activities and merger and acquisition ("M&A") advisory services.

Our team of 18 professionals currently focuses our investment banking activities on six industry sectors: oil and gas, technology, communications, mining, non-bank financial services, and industrial and special situations. After completion of this Offering, we intend to add strategically to our established professional expertise in these sectors and to explore opportunities in other sectors. Our focus has historically provided a relatively diverse base for our revenue, from both corporate finance and advisory service activities, with the result that we have not been unduly dependent on any one industry sector, as illustrated in the following table:

Percentage of Investment Banking Revenue represented by Sector

	Fiscal Year Ended January 31								Six Months Ended July 31			
	2000		2001		2002		2003		2002		2003	
	($ millions)	(%)	($ millions)	(%)	($ millions)	(%)	($ millions)	(%)	($ millions)	(%)	($ millions)	(%)
Oil and Gas	14.3	29.2	28.9	42.8	34.6	64.0	21.1	40.1	8.4	27.6	12.3	41.2
Technology	10.6	21.8	20.8	30.9	4.2	7.9	1.9	3.5	0.7	2.3	0.3	1.0
Communications	15.2	31.2	10.2	15.1	7.5	13.8	3.7	6.9	2.9	9.5	1.5	5.0
Mining	3.6	7.3	1.5	2.2	1.1	2.0	17.6	33.3	13.6	44.8	13.2	44.5
Non-Bank Financial Services	4.0	8.2	1.6	2.4	1.0	1.8	0.3	0.6	0.1	0.3	0.5	1.5
Industries and Special Situations	1.1	2.3	4.5	6.6	5.7	10.5	8.2	15.6	4.7	15.5	2.0	6.8
Total Investment Banking Revenue	48.8	100	67.5	100	54.1	100	52.8	100	30.4	100	29.8	100

Corporate Finance

Our corporate finance business consists primarily of raising financing for public and private businesses in the capital markets in the form of equity, debt and other securities. We raise this financing both on an underwritten basis, where we buy the securities and re-sell them to investors, and an agency basis, where we intermediate the sale between the issuer and the investors but do not put our own capital at risk. We generate revenue from providing these services primarily through commissions, which are generally contingent on the completion of the financing.

Since 1995, we have participated in approximately 600 financings that raised over $30 billion. We have been sole or lead manager in over 360 of these financings, raising over $13 billion. We have historically been a leading underwriter in the oil and gas, mining and technology and communications sectors in Canada. We have historically not been a strong underwriter of securities tailored for the retail investor, such as income trust units and similar yield-oriented investments. Our strength has been the underwriting of equity and equity-like securities and the distribution of such securities to institutional investors. In 2002, we were one of Canada's leading underwriters of equity, as illustrated in the following table:

Top 10 Investment Dealers in Canada — Ranked by Equity Issuance (2002)

Rank	Bookrunner	Total Number of Deals	Total Proceeds (in $ millions)
1	CIBC World Markets	71	6,498
2	RBC Capital Markets	47	5,573
3	Scotia Capital	44	5,076
4	BMO Nesbitt Burns	34	3,138
5	Credit Suisse First Boston	3	1,796
6	**Griffiths McBurney & Partners**	**63**	**1,692**
7	TD Securities	18	1,662
8	Merrill Lynch	6	1,648
9	National Bank Financial	28	1,255
10	Morgan Stanley	2	845

(Source: *Financial Post*)

Note:
"Equity" includes the following: private placements with a $1.5 million minimum; special warrants, irrespective of whether the issuer has received the total proceeds; preferred shares; preferred hybrids (eg. COPrS); and convertible debt and debt to be settled by equity. Rights offerings and other derivatives are excluded. Data includes exercise of over-allotment option of original transaction launched during the period January 1 to December 31, 2002. Data is presented on a "Full Credit to Lead" basis whereby entire transaction value is allocated to lead underwriter or agent.

An important element of our overall strategy is to work with growth companies at an early stage in their development, often before those companies become publicly traded. We were an early participant in the private equity market for growth companies, which we believe was underserviced by large, Canadian investment dealers and, as a result, have established ourselves as a leading investment dealer in this sector of financing. As a result of strong relationships developed with private growth companies, we participated in their initial public offerings and "follow on offerings". The success of these offerings further developed the platform for our growth in the equity underwriting business.

M&A Advisory Services

We provide advisory services to private and public companies in connection with a wide variety of transactions, including mergers, acquisitions, reorganizations and restructurings. These services, in addition to strategic and general capital markets advice, often include the preparation of professional opinions to be used by the boards of directors of our clients. We are generally compensated for our transactional services through "success fees", which are only payable if the transaction is completed. Conversely, we are generally compensated for our professional opinions through fixed fees, portions of which are payable upon completion of specific stages of the mandate. In both cases, we often receive work fees which are payable on a periodic basis during the engagement and are credited against any success fee that ultimately is payable.

The M&A advisory activities of our investment banking operations have made up an increasing proportion of our revenue. The strength of our M&A expertise now extends beyond our historical strength in the oil and gas sector to all of the industry sectors upon which we focus and is largely responsible for the accelerated growth of M&A advisory revenue. We have successfully undertaken numerous M&A mandates in all six of our core industry sectors. In calendar 2002, we ranked sixth among Canadian investment dealers based on the number of transactions in which we acted as an advisor, as illustrated in the following table:

Top 10 Financial Advisors in Canada — Ranked by Number of M&A Transactions (2002)

Rank	Financial Advisor	Number of Transactions
1	CIBC World Markets	35
2	BMO Nesbitt Burns	33
3	Credit Suisse First Boston	24
4	RBC Capital Markets	23
5	Scotia Capital	19
6	**Griffiths McBurney & Partners**	**16**
7	TD Securities	15
8	Morgan Stanley	12
8	KPMG LLP	12
10	Goldmans Sachs & Co.	11

(Source: *Bloomberg*)

Note:
For transactions announced from January 1, 2002 to December 31, 2002 where either target or acquiror were Canadian.

Sales and Trading

Our equity sales and trading operations consist primarily of buying and selling securities as agent on behalf of our clients. We earn commissions for executing these trades. We also engage in some trading of securities using a limited amount of our own capital in select circumstances, principally to facilitate the execution of trades for our clients. This liability trading, as it is known, assists us in generating commissions. The losses we incur as a result of this liability trading, are treated as a cost of our earning commission revenue.

We have a strong and experienced sales and trading team that currently consists of 24 professionals. The clients of our sales and trading business are primarily institutional investors, including mutual funds, pension funds, investment counsellors and private investment pools. An important element that differentiates us from many other specialized investment dealers in Canada is our ability to provide institutional clients with strong and consistent execution of their trading strategies. We are a leading "block" trader in Canada and the only independent dealer consistently among the top ten "block" traders in Canada, as illustrated by the tables set forth below.

Top 10 Block Traders on the Toronto Stock Exchange Ranked by Number of Shares Traded (Year to Date September 30, 2003)

Rank	Firm	Percentage of Block Trades
1	CIBC World Markets	9.99%
2	BMO Nesbitt Burns	9.58%
3	RBC Capital Markets	8.99%
4	TD Securities	8.87%
5	UBS Securities Canada	8.68%
6	Scotia Capital	8.40%
7	**Griffiths McBurney & Partners**	**7.48%**
8	National Bank Financial	6.62%
9	Merrill Lynch Canada	4.42%
10	Orion Securities	2.58%

(Source: *The Toronto Stock Exchange*)

Top 10 Block Traders on the Toronto Stock Exchange Ranked by Number of Shares Traded (Calendar 2002)

Rank	Firm	Percentage of Block Trades
1	CIBC World Markets	10.89%
2	BMO Nesbitt Burns	10.42%
3	UBS Securities Canada	10.34%
4	RBC Capital Markets	8.82%
5	TD Securities	8.03%
6	Scotia Capital	7.98%
7	National Bank Financial	6.51%
8	**Griffiths McBurney & Partners**	**6.09%**
9	Merrill Lynch Canada	5.76%
10	Credit Suisse First Boston Canada	2.74%

(Source: *The Toronto Stock Exchange*)

Note:
Block trades include all transactions involving more than 100,000 shares and in excess of $1 million in value.

Since we began our business, our sales and trading business has been a consistent contributor to our growth. We believe that this is a result of the market's recognition of our expertise in sales and trading, our willingness, in appropriate circumstances, to commit our capital to provide liquidity to our clients and our ability to execute increasingly large and complex transactions. We also believe that the increasing institutionalization of fund management and the growing demand for effective execution will continue to result in our sales and trading operations being a strong contributor to our overall revenues.

Since we began our business, we have broadened our institutional account coverage and penetration. We also have focused on growing our existing client base as well as developing new client bases, especially in the United States where we have experienced a significant growth in commission revenue over the last three years. Total commission revenue from U.S. clients grew from approximately $6.1 million in fiscal 2000 to $9.1 million in fiscal 2003, despite a general decline in commission revenue over that period. We currently have over 290 institutional clients in ten provinces and 25 states. The expanding breadth of our client base is evidenced by the fact that our top 40 institutional clients now represent 51.9% of total commission revenue, as compared to 75.7% in 1998.

Research

A key element of our business strategy is the ability to provide specialized and in-depth research. We currently employ 17 analysts who collectively provide research coverage of 200 companies in the six industry sectors upon which we focus:

Sector	Number of Research Analysts
Oil and gas	3
Technology	2
Communications	2
Mining	3
Non-bank financial services	2
Industrials and special situations	5

Our research analysts are guided by the following objectives:

- to provide objective and independent analysis of companies, their industries and their relative positioning in the capital markets;
- to identify undervalued or high growth investment opportunities; and
- to effectively communicate the fundamentals of these investment opportunities to clients and potential investors through our written research product as well as direct, ongoing personal contact.

We believe that industry specialization is necessary to compete effectively against the larger investment dealers. In this context, we have organized our research professionals into the six industry sectors upon which we focus and in which we believe we can add the most value and compete most effectively. Each industry team works closely together to identify and evaluate industry trends and to uncover investment opportunities. This focused strategy has permitted us to provide our clients with timely information on select, under-followed companies, which generally represent high growth potential investment opportunities. In addition, we cover the industry leaders in each of these industry sectors.

What Are Our Strengths?

By exploiting our strengths, we believe that we have developed our expertise and reputation to a stage where we are able to, and do, compete with large bank-owned investment dealers and other specialized investment dealers. Our strengths are as follows:

Creation of a Unique Entrepreneurial Culture and Set of Core Values

We have worked hard to establish and maintain a unique entrepreneurial culture and set of core values. Our founding philosophy was to create a client-oriented investment dealer, owned by its principals, who were prepared to invest their own capital in order to meet the needs of our clients. A fundamental consideration in our assessment of any new business initiative is: "How will this make money for our clients?" Our guiding principle has been to put the interests of our clients first in the belief that our own success will follow. Integrity, commitment to excellence, innovation, aggressiveness and teamwork have been the main values fostered in our entrepreneurial culture.

Effective Execution of Transactions

We place great importance upon our ability to execute large and complex transactions. We believe that, with the rapidly changing markets and the increasing size of institutional pools of capital, execution has become critical to success. We further believe that the "idea generation" model adopted by most smaller investment dealers in the past is no longer sufficient. Effective execution of investment banking mandates and block trading has become increasingly important to investors and issuers. The increasingly large pools of capital, together with the relative illiquidity of the Canadian equity markets, have required institutional investors to place greater emphasis on the ability of an investment dealer to execute or complete a trade or transaction. This trend has been evidenced by the increasing market share of the Top 10 block traders in Canada who are prepared to use their own capital to facilitate the execution of client orders. In 2002, these 10 firms accounted for 86.7% of the total value of block trading on the Toronto Stock Exchange, up from 79.3% in 1996.

Focus on Growth Companies

Our strategy is to focus on Canadian growth companies within specific industry sectors. We attempt to identify areas where strong intellectual capital and effective execution will allow us to compete most effectively. The small and mid-cap markets fit those criteria. We provide value-added research on small, mid- and large-cap companies in the six industry sectors upon which we focus to ensure that we have a depth of knowledge of these industries. Our core focus is to identify specific companies with superior growth potential, develop strong relationships with these companies and assist them with their growth plans over the long term.

Why We Are Going Public

Over the last eight years, we have grown and excelled as a private partnership. However, substantial changes have occurred in the competitive landscape of the Canadian capital markets. These changes, together with a recognition that, as a more mature business, we could benefit from the ability to access capital in the public markets to fund future growth, have contributed to our decision to go public. We believe that the completion of this Offering and our status as a public company will assist us in achieving a number of objectives.

Securing Access to Capital for Growth

As a public company, we will have permanent share capital and access to public capital markets. We intend to use this new capital, in part, to grow our existing business and to expand into new businesses that complement our current operations, including retail distribution and merchant banking.

As a partnership, our capital is effectively limited to the capital of our partners. If a partner leaves our firm, through retirement or otherwise, we are required to return the partner's capital, which reduces the capital available to the firm and our business. Following the completion of the Reorganization and this Offering, we will have the benefit of more permanent share capital and access to public capital. The ability to raise funds in the public capital markets and/or use our Common Shares as "currency" is also expected to enhance our ability to complete strategic acquisitions of competing or complementary businesses.

We believe that we must continue to grow our retail distribution network as our business develops. Our competitive position can be enhanced by establishing a meaningful retail distribution network to augment our institutional sales and trading business. The proceeds from this Offering will help us to selectively develop, through internal growth, acquisition or otherwise, a high net worth-oriented retail network, which should permit us to secure new financing mandates, such as the distribution of income trust units that currently have become an important financing vehicle in Canada, along with other retail-oriented offerings. To the extent that we begin to manage third party funds as part of our possible future wealth management operations, this may serve to provide further stability to our earnings.

We also believe that we can improve our competitive position by adding merchant banking services. Due to changes in the competitive environment in which we operate, we are encountering situations in which high quality private and micro-cap clients are looking for us to play a dual role as both an agent to raise financing and as principal investor with increasing frequency. Our current capital structure and the mandate from our partnership do not permit us to play this dual role. This Offering will allow us to form a distinct operating unit to evaluate and participate in opportunities to earn substantial returns with a secondary goal of funding companies where we will be positioned to earn future corporate finance fees. The addition of merchant banking capability will enhance our established position in private equity financings.

Benefits of Public Company Status

We believe that our continuation as a public company will provide significant benefits to our business.

As a public company, we will establish a board of directors with a majority of independent directors. We will also implement corporate governance policies and procedures required of a public company. We believe that the increased discipline that will be imposed by this governance regime, together with the guidance, oversight and strategic direction that our board of directors will be able to provide, will complement and enhance our established business principles and priorities.

The disclosure requirements of public companies, including the publication of financial statements, will increase our profile and enhance the market's understanding of our business. Our continuous public disclosure record should enhance the confidence placed in us by our clients, potential clients and the market in general.

The public company structure should also enable us to continue to attract and retain high quality professionals. Our unique culture and the ability of our partners to own equity has, in our view, facilitated the development of a strong partner and employee base. However, the complexity of our current partnership structure has made it increasingly difficult to attract individuals who otherwise might become part of our business. A public company structure will permit us to offer a more transparent and competitive mechanism for equity participation through share ownership.

Operations and Information Technology

Our information technology platform is principally composed of a series of dedicated computer servers connected to individual personal computers located in our various offices. We use standard, commercial, off-the-shelf software for most of our applications, which we regularly update as new releases become available.

We rely, as do most participants in the securities industry, on various third party service providers for trading systems with direct access to stock exchanges and other trading marketplaces. In addition, these third parties provide us with links to clearing and settlement providers in both Canada and the United States. Our principal service provider is Automatic Data Processing Inc., which, among other things, maintains our securities stock records and client accounts in a manner that complies with regulatory requirements.

We are in the process of installing a new computer system to augment our current technology and that will assist in automating many of our manual processes. These enhancements will permit us to develop more customized administrative tools and enable us to run more sophisticated query and edit reports to enhance our information management resources, including compliance and supervision functions.

We have developed, and revise and update on an ongoing basis, our firm Internal Controls and Operational Procedures Manual. This manual deals with routine critical processes and job responsibilities.

We have in place disaster recovery and contingency procedures for our head office information technology systems which include redundant applications of core critical functions. These contingency procedures outline measures to be taken if our information technology and databases are inaccessible or shut down for a period of time due to fire, prolonged power failure, disaster or other significant event. As part of these procedures, we have secured offsite backup for our key technology resources. In spring 2003, we established the Business Continuity Planning Committee. The mandate of this Committee is to develop, implement, test and maintain a comprehensive business continuity and emergency response plan intended to integrate and augment our existing disaster recovery and contingency procedures. Additionally, we are an active participant on the Investment Dealers Association Disaster Recovery Sub-committee, which is attempting to expand and unify disaster recovery procedures and facilities among investment dealers in Canada.

Risk Management

General

We have an established risk management process to monitor, evaluate and minimize the principal risks associated with the conduct of our investment banking and sales and trading business. These risks include market, credit, liquidity, operational, legal and reputational exposure.

Our risk management procedures have been developed over the last eight years and have proven effective for our operations as a private partnership. In conjunction with this Offering, these policies and procedures will be reviewed and approved by our board of directors to ensure that the interests of the Company and our shareholders are adequately protected from the risks associated with the conduct of our business. These policies and procedures will include, among other things, the formation of a Commitments Committee, composed of our Chief Executive Officer, the President and two other senior executives designated by our board of directors, to review and approve the introduction of all new equity underwriting commitments. Additionally, following completion of this Offering, it is anticipated that GMP's compliance officer will be required to report regularly to our board of directors in relation to compliance and other regulatory matters.

We believe that we have a number of effective and complementary procedures for evaluating and managing the market, credit and other risks to which we are exposed. Nonetheless, the effectiveness of these policies and procedures can never be completely predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in the Canadian and/or global capital markets can have a material adverse effect on our results of operations. See "Risk Factors".

Investment Banking Risks

Canadian investment dealers help clients effect offerings of securities on an underwritten or agency basis. In an underwritten financing, the investment dealer syndicate agrees to purchase the securities from the client and then re-sells them to investors. In an agency financing, the investment dealer syndicate agrees to use its best efforts, as agent of the client, to sell the securities directly to investors.

Underwritten financings impose greater risk on an investment dealer. The contractual commitment to purchase the securities arises with the signing of an underwriting agreement when the preliminary or final prospectus for the offering is filed with securities regulatory authorities. An underwriting commitment made upon the filing of a preliminary prospectus is usually referred to as a "bought" deal and is subject to limited underwriter termination rights. An underwriting commitment made at the time of the final prospectus is usually referred to as a "fully marketed" transaction because the pricing and purchase commitment have only arisen after a full marketing exercise has been completed. Marketed transactions usually have broader underwriter termination rights. Initial public offerings are carried out by marketed transactions.

We use a disciplined approval and risk management process to determine our participation in underwritten deals. We impose strict guidelines on maximum capital exposure on any given deal. Our maximum risk exposure limits are maintained by limiting deal size or through the syndication process. Currently, all underwritten deals where our risk exposure is calculated to be $1 million or greater must be approved by our Liability Committee.

For underwritten deals where our risk exposure is calculated to be less than $1 million, the approval of the Chief Executive Officer (or two members of the Liability Committee) will suffice. Additionally, our New Names Committee must approve our involvement in the financing of any company for which we have previously not acted as underwriter. After completion of this Offering, these approval responsibilities will be assumed by our Commitments Committee and underwritten deals where our risk exposure is calculated to be $40 million or greater shall be referred to our board of directors.

Sales and Trading Risks

We believe that the risks we face in our trading operations are substantially reduced as the primary focus of our business is trading on an agency basis, rather than on a principal basis. We do not take substantial principal positions in any one security or make large directional "bets" on the market. Our inventories of securities result from facilitating execution of trades for our institutional clients, which generate commission revenue, and not from investing for our own account.

Our basic risk management tool is to limit the capital exposed to facilitative liability trading. Our capital limits are currently set at $7.5 million and our positions are monitored daily. During periods of unusual activity, this limit currently can be raised to $12 million with the approval of both our Chief Executive Officer and President. After completion of this Offering, this approval role will be assumed by our Commitments Committee. We believe that these capital controls have helped prevent losses that might otherwise result from fluctuations in the market value of securities in our inventory.

We further limit our risk exposure by avoiding taking "inventory" positions in securities that we do not either cover from a research perspective or actively trade for our clients. We also avoid the use of derivatives and other financial products that could theoretically expose the firm to unlimited risk.

We manage risk through the production of daily reports to our Chief Executive Officer and our Executive Committee, which provide details on: all trading positions on a firm-wide basis; total capital exposed, broken down on a security-by-security basis; total regulatory allowable capital available; profit and loss statement on a security-by-security basis; all margin credit exposure throughout the organization; trade fails or extended settlement reports; unhedged currency exposures; material changes in financial statement capital; and any current or potential concentration changes applicable on a single security.

We closely monitor margin and counter-party credit risk. Our small retail business and our control processes have resulted in credit risk being an immaterial component of our business.

Over the last four years, our risk management procedures have assisted us in limiting our cumulative total liability losses. We have endeavoured to limit our liability losses to less than 20% of total commission revenue generated, and have been consistently successful in such efforts.

Partners and Employees

Partners

Griffiths McBurney & Partners currently has 41 partners, who work in Toronto (33), Calgary (3) and Montreal (5). In connection with the Reorganization, each of these partners will become a managing director of GMP Securities. Each of the managing directors has or, at the time of completion of this Offering, will have entered into a partner transition agreement indicating his or her intention to remain with GMP for a period of at least two years. Each partner transition agreement contains non-competition (and corresponding non-solicitation) covenants. Each partner with a 1% or greater interest in Griffiths McBurney & Partners has covenanted or will covenant to refrain from competing with GMP in Canada during his or her employment with GMP Securities and until the later of (i) the last day of the 30th month following completion of this Offering or such earlier date upon which a change of control occurs and (ii) the last day of the third month following the date upon which his or her employment with GMP Securities is terminated for just cause or upon his or her voluntary resignation (other than his or her voluntary resignation upon or within one year of a change of control). The non-competition covenants of partners with less than a 1% interest in Griffiths McBurney & Partners will survive until the later of (i) the last day of the 12th month following completion of this Offering or such earlier date upon which a change of control occurs and (ii) the last day of the sixth week following the date upon which their employment with GMP Securities is terminated for just cause or upon their voluntary resignation (other than their voluntary resignation upon or within one year of a change of control).

Employees

GMP has an aggregate of approximately 105 full-time employees in its Toronto (83), Calgary (10), Montreal (8) and Geneva, Switzerland (4) offices. None of these employees are covered by union contracts.

Properties

Our head office is located at 145 King Street West, Suite 1100, Toronto, Ontario. This office consists of approximately 21,642 square feet leased under a lease which expires on July 24, 2006. GMP also leases three additional offices: 6,183 square feet in downtown Calgary, 5,075 square feet in downtown Montreal and 990 square feet in Geneva, Switzerland. Each of the offices is leased at market rates.

INDUSTRY OVERVIEW

Introduction

Investment dealers play an essential role in the operation and development of the Canadian capital markets, offering a variety of products and services to participants in those markets, including companies, governments and institutional and retail investors. These products and services include:

- assisting private and public companies and governments in obtaining financing through the underwriting and distribution of equity, debt and other securities;
- providing advisory services to private and public companies in the context of mergers, acquisitions, reorganizations and restructurings;
- trading securities for institutional and retail clients, as well as for the dealers' own accounts; and
- providing research on industries, companies and securities.

See "— Products and Services".

There are over 190 investment dealers that carry on business in Canada. These dealers can be divided into two general categories. The first category is composed of full-service investment dealers — these dealers are generally large organizations that provide clients with a full range of products and services. The second category is composed of specialized investment dealers — these dealers generally specialize in providing clients with a variety, but not a full range, of products and services and many focus on one or a select number of business sectors. See "— Industry Participants".

Products and Services

Set out below is a description of the principal products and services that investment dealers offer to their clients in Canada, which include private and public companies, governments and institutional and retail investors.

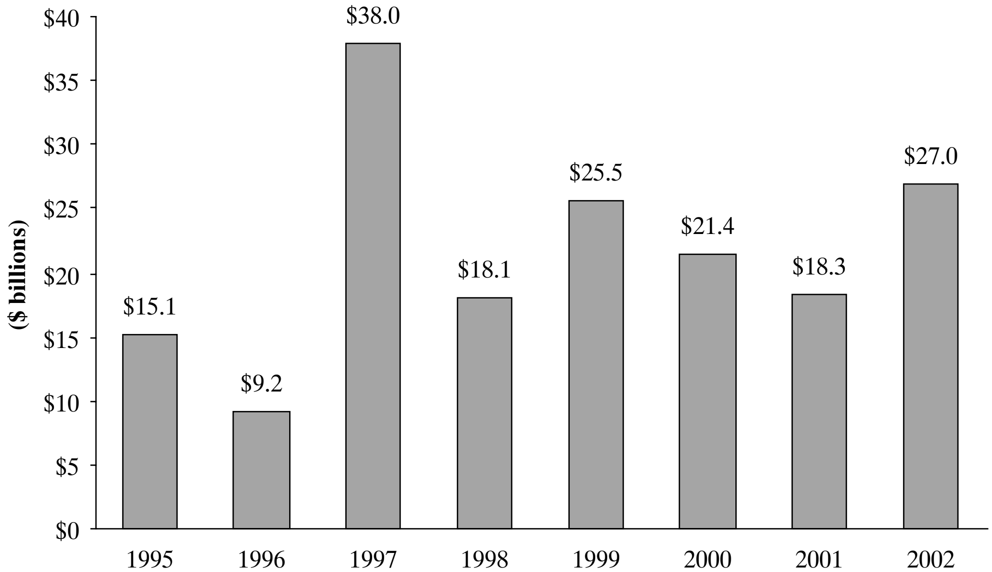
Investment Banking

<u>Corporate Finance</u>

Canadian investment dealers assist public and private businesses and others in obtaining financing in the capital markets. This financing is raised through the issuance of debt, equity and derivative securities, and can be effected by an investment dealer on an underwritten or agency basis. Investment dealers generate revenue by providing these services and charging commissions. The commission rates charged in connection with individual equity offerings have generally remained stable in Canada over the past five years.

In Canada, public equity financings grew from $15.1 billion in 1995 to $27.0 billion in 2002. Over the last five years, equity issuance has been relatively stable in terms of the amount of funds raised, but has varied in terms of the issuers involved. Various sectors such as financial services, oil and gas, industrials, and technology have been more or less active in raising equity at various times during this period. Additionally, various types of financings (such as common shares, units consisting of common shares and warrants, debt securities and income fund units) have found greater and lesser favour at various times during this period. Because the number of initial public offerings generally is correlated to broader economic and equity market performance, the market for initial public offerings was strong during the late 1990s and 2000.

Equity Issuance in Canada



(Source: *Financial Post*)

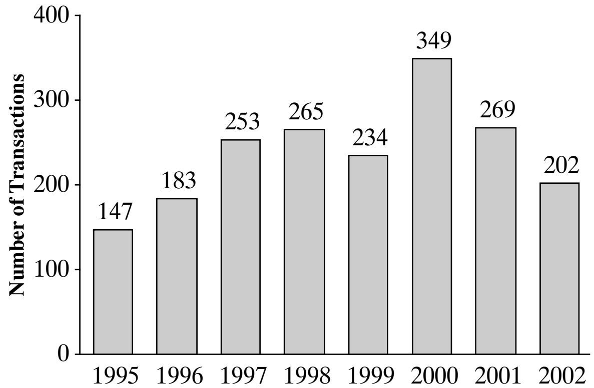
Note:
"Equity Issuances" include common shares, units (equity and warrant), trust units, royalty units, preferred hybrid, preferred unit (preferred and warrant), limited partnerships, depository receipts, warrants and "other equity".

M&A Advisory Services

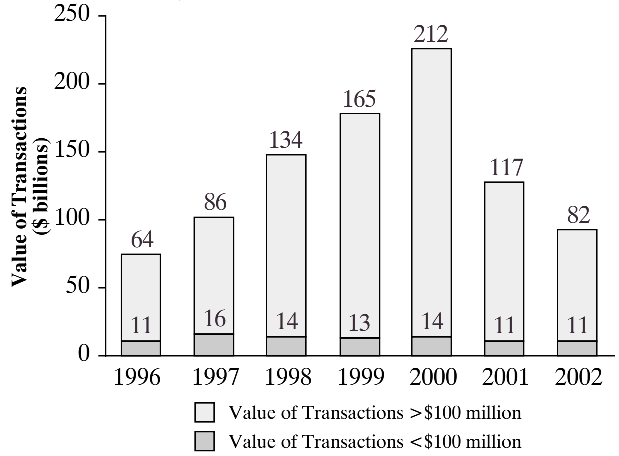
Investment dealers provide advisory services to private and public companies in connection with a wide variety of transactions, including mergers, acquisitions, reorganizations and restructurings. These services, in addition to strategic and general capital markets advice, can include the preparation of professional opinions. Investment dealers are generally compensated for transactional services through "success fees", which are only payable if the transaction is completed, and for professional opinions through fixed fees.

The total value of fees paid for M&A advisory mandates in Canada increased dramatically up until 2001 as a result of consolidation activities in most industries. In Canada, M&A activity grew from $75 billion in 1996 to a peak of $226 billion in 2000. In 2001 and 2002, the level of M&A activity declined, primarily due to the general economic slowdown, more limited access to funding from the capital markets and the uncertain business environment in the latter half of the year. This reduced level of activity has continued in 2003 with fewer, and smaller, transactions having been announced.

M&A Activity in Canada — Number of Transactions



M&A Activity in Canada — Value of Transactions



(Source: *Thomson Financial*)

(Source: *Mergers & Acquisitions in Canada*, Crosbie & Co.)

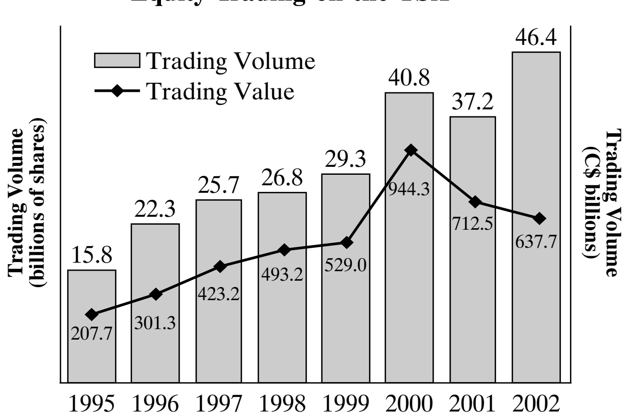
Note:
For transactions valued at $25 million and greater involving either a Canadian target or acquiror. Excludes share repurchases and withdrawn deals.

Sales and Trading

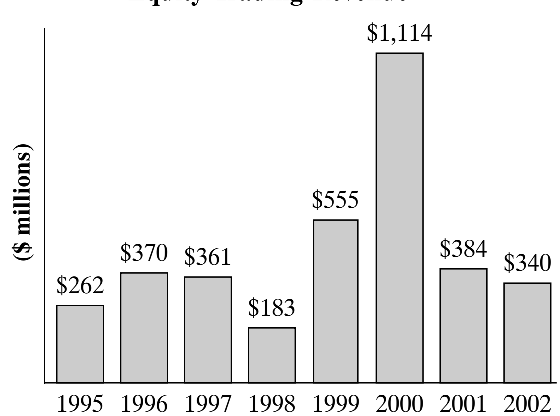
Investment dealers create markets for securities by buying and selling those securities on behalf of institutional and retail clients, as well as for their own accounts. Institutional and retail clients have become much more sophisticated in the last decade. Increasingly these clients are directing their trading business to those investment dealers that provide a complete trading service, including timely and accurate market information, value-added research and certainty of execution through services, including "liability" or facilitative trading. Investment dealers earn commissions for executing trades on behalf of clients. Investment dealers may also generate revenue or incur losses by trading securities for their own accounts.

The total volume and market value of shares traded through the Toronto Stock Exchange has increased from approximately 15.8 billion shares ($207.7 billion) in 1995 to approximately 46.4 billion shares ($637.7 billion) in 2002. Trading values have declined from a high of $944.3 billion (40.8 billion shares) in 2000 to approximately $637.7 billion (46.4 billion shares) in 2002 coincident with the general decline in equity markets since the middle of 2000. Trading commissions have gradually declined over the past five years, largely due to competitive forces and technological improvements that have served to dramatically reduce marginal trading costs.

Equity Trading on the TSX



Equity Trading Revenue



(Source: *The Toronto Stock Exchange Review*)

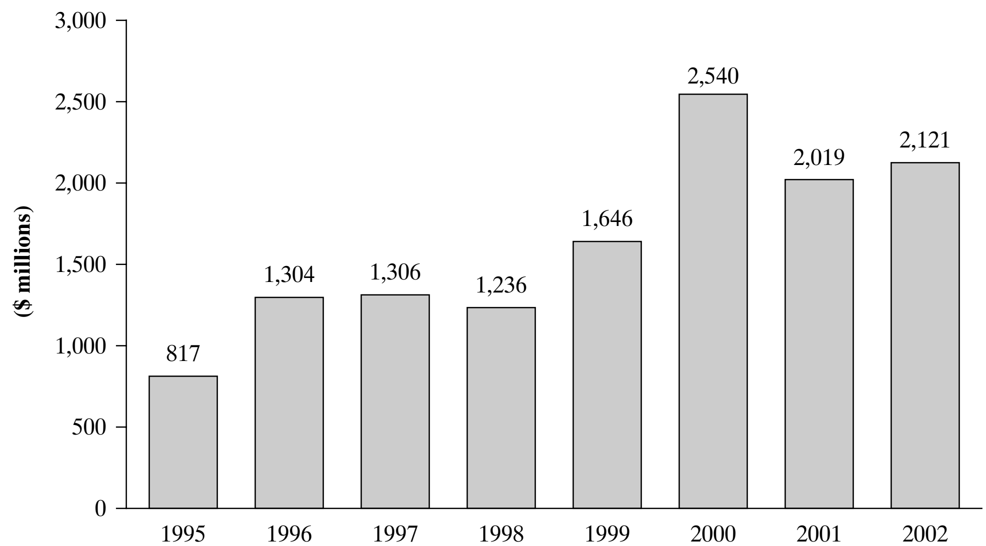
(Source: *Investment Dealers Association of Canada*)

Retail Brokerage

Faced with the pressures of balancing financial and retirement requirements in a universe of increasingly complex financial products, retail investors are increasingly seeking professional advice. This growing tendency to entrust retail brokers with the complex tasks of selecting among a wide array of investment, financial, retirement and tax products and services has led to the growth of the full-service advice-focused broker channel of the retail brokerage business. At the same time, the increased availability of financial data through the internet, the growth in online trading and a greater focus and appreciation of equity markets have contributed to the recent rise of the self-directed retail investor, who favours the low-cost and effective execution of the discount brokerage channel of the retail brokerage business. Both trends, in addition to the strong equity markets of the late 1990s, have contributed to strong growth in revenue in the retail brokerage business.

Retail brokerage revenue is primarily composed of trading commissions, which are a function of trading volume, and wealth management fees applied to the assets under administration. Commission revenue tends to be highly correlated to the overall equity markets, whereas management fee revenue is more stable. The Canadian retail broker channel is supplemented by the high net worth channel, dominated by the premium personal banking services of the chartered banks and the independent high net worth managers, which administers approximately $66 billion of assets according to *Benefits Canada.*

Revenue to Retail Brokerages



(Source: *Investment Dealers Association of Canada*)

Merchant Banking

In recent years, many investment dealers (or financial institutions that own those investment dealers) have established merchant banking units to complement their more traditional investment banking and sales and trading activities by financing transactions as principal and thereby affording clients a broader and more integrated package of services.

Merchant banks generally provide financing to companies in return for significant equity or quasi-equity positions. In many cases, these services are provided to small and mid-size companies that are in start-up or rapid growth stages as well as in conjunction with M&A activities. Merchant banks also invest in larger, more mature businesses in the context of management buy-outs or other privatizations or in situations where the company is not otherwise in a position to access the more conventional capital markets. Most merchant bankers have investment horizons of between three and seven years, and seek to monetize their position in the context of an initial public offering or a merger or acquisition.

The Canadian merchant banking market has developed significantly over the past few years, largely due to an economic environment that has fostered the creation of many new entrepreneurial and technology-related companies. In 2002, $2.5 billion was invested by venture capitalists in Canada, compared to $1.6 billion in 1998 (Source: *Canadian Venture Capital Association*). Despite this growth, the Canadian market is still relatively small, roughly 7.5% of the size of the U.S. market, calculated on the basis of the closing (Cdn$ to US$) exchange rate on December 31, 2002 of 1.5713 (Source: *Canadian Venture Capital Association*). Over the past several years, U.S. investors have become more active in the Canadian market; however, those investors have generally targeted higher profile companies or particular technology sectors. Venture capitalists, seeking liquidity and higher returns on their investments, have also been a catalyst of initial public offerings and strategic mergers and acquisitions.

Industry Participants

In general terms, the investment dealers that participate in the Canadian capital markets fall into one of two broad categories: full-service investment dealers and specialized investment dealers.

Following the initial acquisitions by the major Canadian chartered banks of previously independent investment dealers and the subsequent growth of those businesses through acquisitions to enhance scale, retail distribution and execution capability, there has been a decline in the number of full service investment dealers and a strategic shift toward product specialization. The U.S. and international investment dealers generally focus on only the largest Canadian clients. The specialized investment dealers, however, have developed significant presence in the Canadian capital markets through strategies that include:

- developing strong relationships with institutional clients;
- targeting small or mid-cap issuers that may be under-serviced by larger dealers and continuing to provide them with products and services as the companies grow;
- packaging new services and products to meet changing client and customer demands; and/or
- specializing in particular industries or sectors.

Full-Service Investment Dealers

Full-service or integrated firms offer their institutional and retail clients a full range of products and services. The full-service firms are generally large organizations, many of which, since the removal in 1987 of restrictions on ownership of investment dealers by financial institutions, are now owned by the largest Canadian chartered banks. These investment dealers, including BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Scotia Capital Inc., represent a large part of the industry.

Specialized Investment Dealers

The specialized investment dealers offer a variety, although not a full range, of products and services to their clients. Most of the specialized investment dealers that participate in the Canadian market do so either by targeting selected industries or clientele.

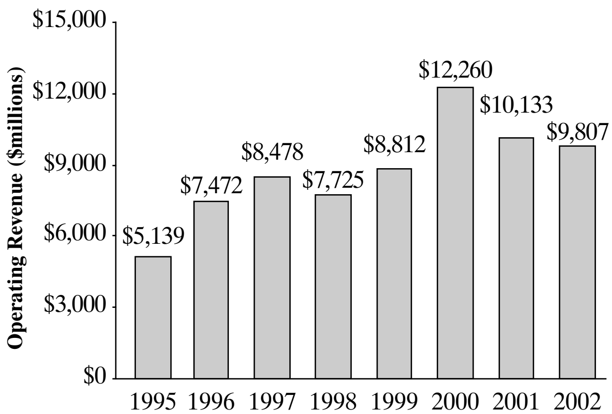
Some of these specialized investment dealers started as organizations that offered limited products and services and expanded into other products and services as the organizations grew and expanded with their clients, such as Griffiths McBurney & Partners and Merrill Lynch Canada Inc. Others have chosen to remain focused on their target market, such as Goldman Sachs Canada Inc., Morgan Stanley Canada Limited, Peters & Co. and First Energy Capital Corp.

Business and Profitability Trends

The Canadian investment dealer industry, comprising over 190 firms today, has grown significantly over the past few years. Employment in the securities industry has also grown during the past decade to over 37,000 individuals, with approximately 20,000 individuals registered to trade securities for the benefit of their clients.

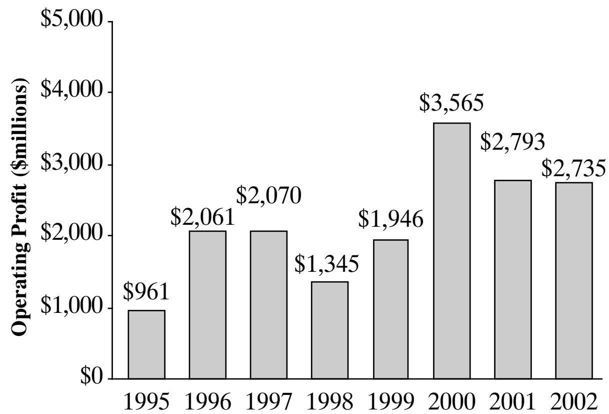
The Canadian investment dealer industry has demonstrated sustained revenue and profitability performance over the past number of years, as illustrated below.

Operating Revenues



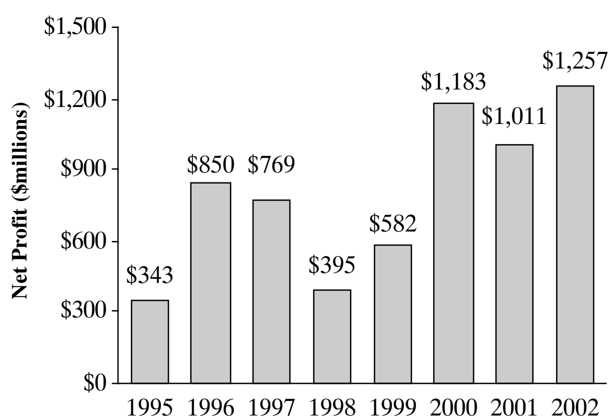
(Source: *Investment Dealers Association of Canada*)

Operating Profit



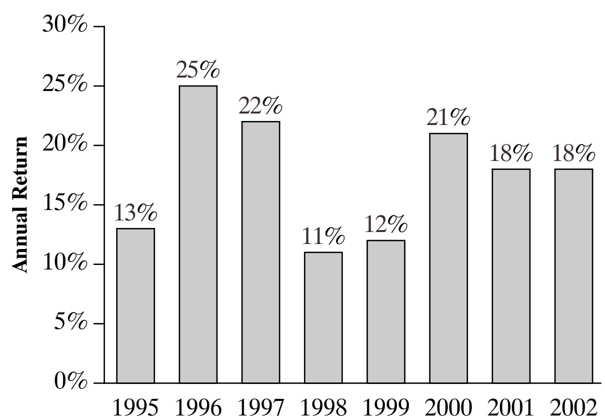
(Source: *Investment Dealers Association of Canada*)

Net Profit



(Source: *Investment Dealers Association of Canada*)

Return on Equity



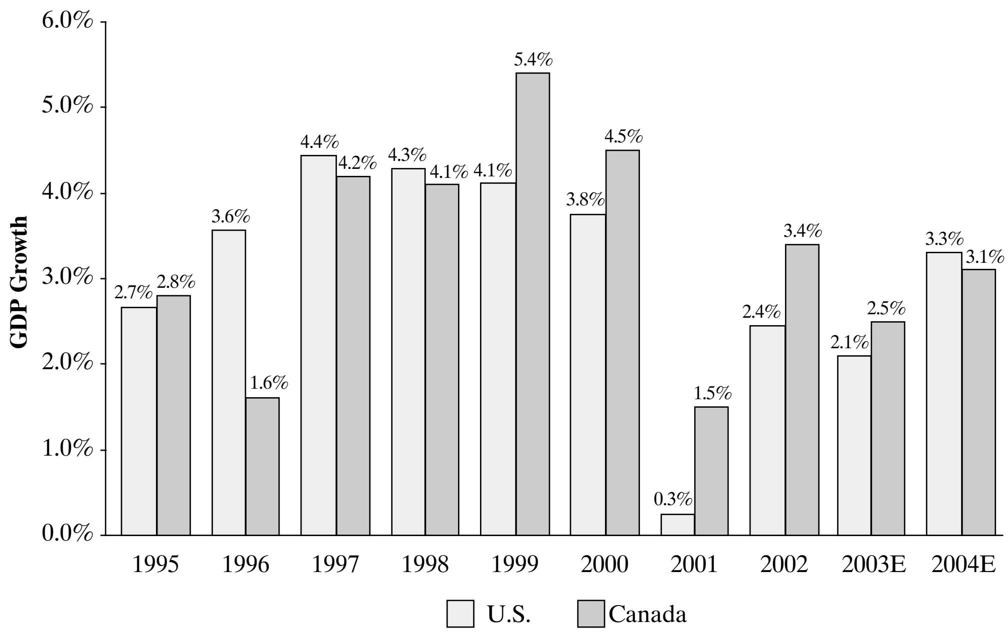
(Source: *Investment Dealers Association of Canada*)

The business of investment dealers is affected by macroeconomic and market conditions and trends, both in Canada and globally. The following factors are expected to provide significant growth and profit opportunities for providers of financial services in Canada.

Economic Expansion and Growth

Over the past decade, the Canadian and U.S. economies have undergone one of the longest periods of post-war expansion. In spite of this expansion, inflation has generally remained within the Bank of Canada's target range of 1% to 3% since 1992 (Source: *Bank of Canada*). As a result, the financial services sector has thrived in a generally favourable macroeconomic environment characterized by low inflation, low and declining interest rates and strong equity markets. This economic environment has also favoured the broader corporate sector, producing a pattern of strong growth and a demand for capital.

Canadian and U.S. Economic Growth

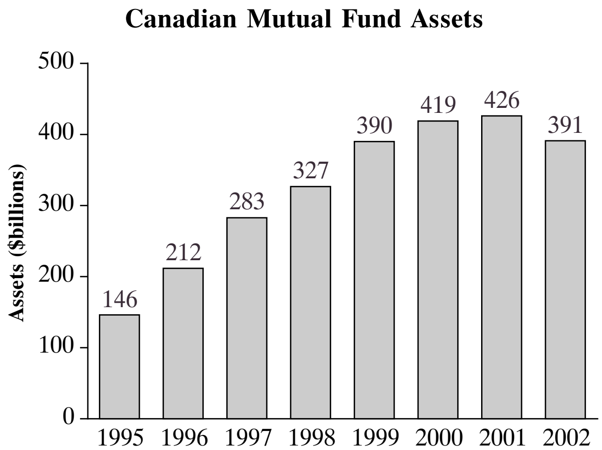


(Source: *Statistics Canada; Bureau of Economic Analysis, U.S. Department of Commerce*)

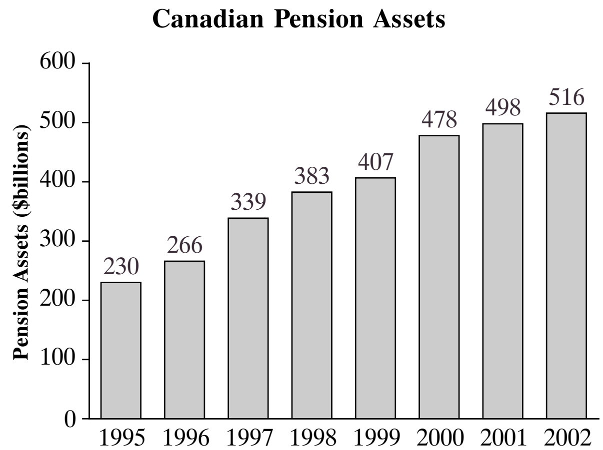
The search for new growth opportunities, the need for economies of scale, heightened global competition and the expansion into new geographic markets have substantially increased consolidation in a number of industries. Historically, stronger share prices and record levels of profit have provided companies with the resources to pursue strategic combinations, creating substantial demand for M&A advisory services and subsequent capital raising.

Increase in Investment Assets

Changing demographics have increased the pool of savings available for investment and the need for increased funding of pension plans due to the ageing of the population, creating substantial demand for investment products and services. This growth has been compounded by regulations governing registered retirement savings plans that limit the portion of foreign content in a particular portfolio for purposes of tax planning, thus encouraging investment by Canadians in Canadian assets. This increased demand has produced significant growth in the wealth management sector in Canada. Growth in the mutual fund industry in Canada has been significant, with a compound annual growth rate of 20.6% over the period from 1991 to 2002 (Source: *IFIC*). In addition to the mutual funds, institutional money managers, pensions and high net worth managers are expected to provide continued demand for investment products and services. This increase in investment assets creates both fundamental trading activity as well as the need for new investment opportunities.



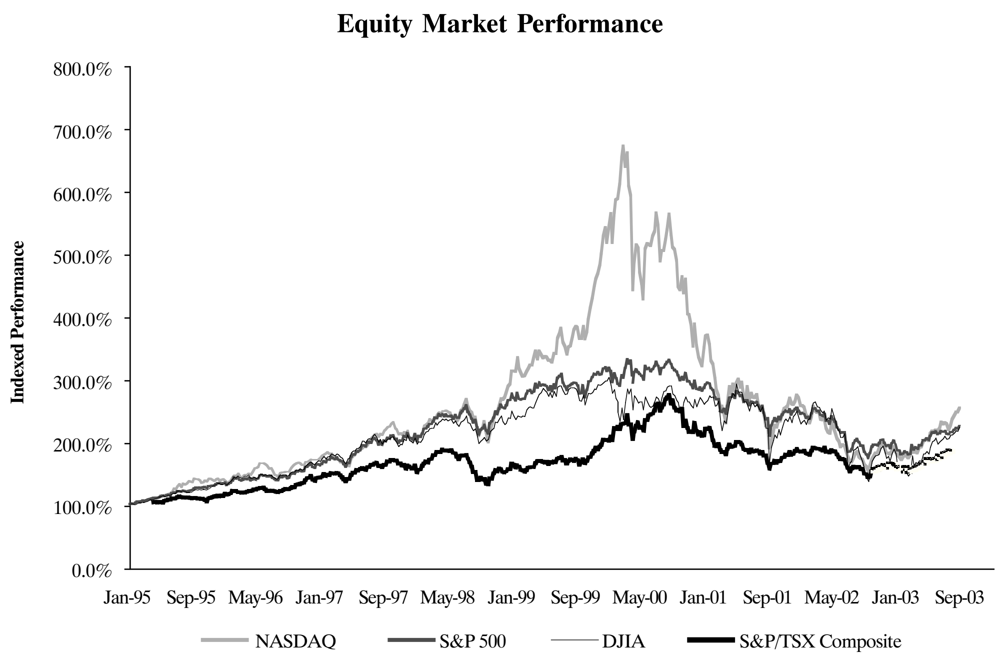
(Source: *IFIC*)



(Source: *Benefits Canada*)

Market Performance

In large part due to these factors, equity markets in North America and around the world enjoyed strong growth until mid-2000 followed by a general decline since that period. Until mid-2000, companies were more willing and able to access capital markets and pursue mergers and acquisitions, thereby increasing demand for investment dealer services. Since mid-2000, market volatility has limited companies' access to the capital markets, depressed trading volumes and assets under management and restricted certain M&A activity.



(Source: *Bloomberg*)

Regulatory Environment

Investment dealers are subject to extensive regulation in Canada, the United States and elsewhere. As a matter of public policy, regulatory bodies in Canada and the rest of the world are charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of investors participating in those markets. An investment dealer in Canada generally operates under the securities legislation of each of the provinces and territories of Canada, the Universal Market Integrity Rules of Market Regulation Services Inc., and the general by-laws, rules and policies of the stock exchanges of which an investment dealer is a member and of the Investment Dealers Association of Canada (the "IDA"). In addition, to the extent it has operations in the United States, it is subject to United States federal securities laws as administered by the United States Securities and Exchange Commission (the "SEC") and state securities and other regulators having regulatory or oversight authority.

Investment dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among investment dealers, use and safekeeping of funds and securities, capital structure, record-keeping, conflicts of interest and the conduct of directors, officers and employees. Investment dealers are the subject of increased regulatory scrutiny and sensitivity due, largely, to recent financial scandals particularly in the United States. Additional legislation, changes in rules promulgated by self-regulatory organizations or changes in the interpretation or enforcement of existing laws and rules, either in Canada or elsewhere, whether or not as a consequence of such increased regulatory scrutiny and sensitivity, may directly affect the mode of operation and profitability of an investment dealer.

The various government agencies and self-regulatory organizations having jurisdiction over investment dealers are empowered to conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of an investment dealer or its directors, officers or employees.

An investment dealer is subject to rules respecting the maintenance of minimum net capital. These rules specify the minimum level of net capital an investment dealer must maintain. Compliance with net capital requirements of these self-regulatory organizations can limit an investment dealer's operations and also restrict its ability to withdraw capital from its regulated affiliates, which in turn can limit its ability to repay debt or pay dividends on its shares.

There are certain regulatory restrictions on the ownership and holding of shares of investment dealers and their parent companies. Notably, the direct or indirect ownership or holding of an interest in an investment dealer in excess of certain threshold levels is subject to approval by the IDA, other self-regulatory organizations, stock exchanges and certain securities commissions. For example, no member of the IDA may, without the approval of the IDA, permit an investor, alone or together with its associates and affiliates, to own voting securities carrying 10% or more of the votes carried by all voting securities in the member or its parent company, 10% or more of the outstanding participating securities of the member or its parent company, or an interest of 10% or more in the total equity of the member.

Such approval is based on criteria that vary as between regulators. In addition, certain self-regulatory organizations and stock exchanges require member firms to include in their constating documents certain powers to enable the member to rectify any breach of the applicable ownership restrictions. The Company's articles will contain provisions to this effect. See "Description of the Securities Distributed".

THE REORGANIZATION

Griffiths McBurney & Partners is a partnership formed under the laws of the Province of Ontario. In anticipation of, and prior to completion of this Offering, the business carried on by Griffiths McBurney & Partners and its subsidiaries will be transferred to GMP Securities, which is a newly incorporated corporation under the *Canada Business Corporations Act*, all of the outstanding shares of which will be held by the Company upon completion of the Reorganization and this Offering.

As part of this process, Griffiths McBurney & Partners will transfer all of its assets to GMP Securities in consideration for the issuance of shares of GMP Securities and the assumption of the liabilities of Griffiths McBurney & Partners by GMP Securities. GMP Securities will also obtain all of the registration and membership status necessary to carry on the business currently being carried on by Griffiths McBurney & Partners. The transfer will be effected on a tax-deferred basis to Griffiths McBurney & Partners.

Griffiths McBurney & Partners will be dissolved and all of the shares that it holds of GMP Securities will be distributed to its partners in accordance with its existing partnership agreement. The partners will transfer the shares of GMP Securities to the Company in exchange for Common Shares of the Company. As a result, GMP Securities will be a wholly-owned subsidiary of the Company.

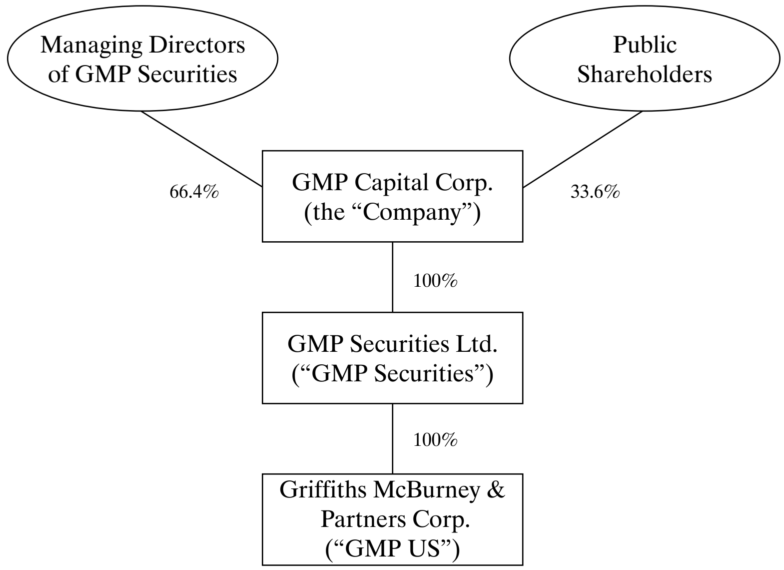
Immediately prior to the Reorganization, all of the undistributed profits of Griffiths McBurney & Partners will be paid to the partners. Consequently, the paid-up capital on the Common Shares of the Company is expected to be approximately $60 million. In connection with the Reorganization and contemporaneously with the completion of this Offering, the Company will reduce its paid-up capital in an amount up to $45 million by way of payment on its Common Shares, all of which then will be held by the former partners of Griffiths McBurney & Partners. A portion of the net proceeds of this Offering will be used to maintain the capital requirements of the Company upon such capital repayment.

The terms of the Reorganization will be set out in transfer and exchange agreements between Griffiths McBurney & Partners, its partners, the Company and GMP Securities. The Reorganization will be contingent upon certain necessary consents and approvals having been obtained.

The transfer agreement to be entered into by Griffiths McBurney & Partners and GMP Securities will contain representations and warranties with prescribed survival periods as to various matters, including organization and status, power and authorization, financial statements, litigation, title to assets and material contracts. The transfer agreement will also contain a representation and warranty (the "Prospectus Representation") from Griffiths McBurney & Partners that this prospectus contains full, true and plain disclosure of all material facts relating to the Common Shares and does not omit to state a material fact that is required to be stated or necessary to make a statement herein not misleading in light of the circumstances in which it was made. The Prospectus Representation will be made to the knowledge of Griffiths McBurney & Partners. For the purpose of the Prospectus Representation, "knowledge" will be construed to be the knowledge (after due enquiry) of members of the Executive Committee of Griffiths McBurney & Partners. Each partner's personal holding company will acknowledge the representations and warranties made by Griffiths McBurney & Partners to GMP Securities relating to the business of the firm, including the Prospectus Representation. Each partner's personal holding company will provide an indemnity to GMP Securities for those representations and warranties on a several basis that will be limited to the amount received by that holding company as a return of capital in connection with the Reorganization.

Griffiths McBurney & Partners and its principal operating subsidiaries, as well as our partners and employees, are subject to regulation under the securities legislation of each of the provinces and territories of Canada, the Universal Market Integrity Rules of Market Regulation Services Inc., and the general by-laws, rules and policies of the Toronto Stock Exchange, the Montreal Exchange and the IDA. In the United States, GMP US is subject to regulation by the SEC and states securities and other regulators having regulatory or oversight authority, in particular the National Association of Securities Dealers. The transfer of the assets of Griffiths McBurney & Partners to GMP Securities will require the approval of, or notification of, these regulatory bodies. All necessary notifications and applications have been made to the applicable regulatory bodies. The completion of this Offering is conditional upon the receipt of the requisite consents and approvals and the termination of certain notification periods.

After completion of the Reorganization, the material corporate relationships of GMP will be as indicated in the following chart:



USE OF PROCEEDS

We will receive net proceeds from this Offering of approximately $92.1 million ($101.4 million if the Over-Allotment Option is exercised in full) after deducting fees payable to the Underwriters and estimated expenses of this Offering. We expect to use the net proceeds of this Offering to maintain the capital requirements of the Company, to support our existing business, to expand our investment banking and sales and trading activities, to fund strategic initiatives (including developing, through internal growth, acquisition or otherwise, merchant banking and retail/wealth management capabilities), to repay certain indebtedness, and for general corporate purposes.

The amounts and timing of these expenditures will vary depending upon a number of factors, including the Company's ability to identify strategic initiatives, including possible acquisitions. The Company's plans with respect to the allocation of the net proceeds of this Offering among the uses described above may change after the date of this prospectus. In particular, the types of acquisitions that the Company may make will largely depend on the business opportunities that it identifies, if any, which cannot be predicted at this time.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

The following selected financial data for the years ended January 31, 2000, 2001, 2002 and 2003 is derived from the audited consolidated financial statements of Griffiths McBurney & Partners appearing elsewhere in this prospectus. The following selected financial data for the six months ended July 31, 2002 and 2003 is derived from the unaudited financial statements of Griffiths McBurney & Partners appearing elsewhere in this prospectus. The following selected *pro forma* financial data for the year ended January 31, 2003 and for the six months ended July 31, 2002 and 2003 is derived from the unaudited *pro forma* consolidated financial statements of the Company. The information set out below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the consolidated financial statements of Griffiths McBurney & Partners and the unaudited *pro forma* consolidated financial statements of the Company, including the respective notes thereto, appearing elsewhere in this prospectus.

	Fiscal Year Ended January 31				Six Months Ended July 31	
	2000	2001	2002	2003	2002	2003
	(audited)				(unaudited)	
	(in $ thousands, except ratios and per share amounts)					
Income Statement Data						
Total revenue	97,687	127,338	98,111	96,332	48,355	50,936
Other operating expenses	31,272	46,925	43,791	34,805	16,856	16,543
Net income(1)	66,415	80,413	54,320	61,527	31,499	34,393
Pro forma partners' incentive compensation and benefits(1)	—	—	—	28,871	15,956	16,594
Adjusted income(2)(3)	—	—	—	32,657	15,544	17,799
Balance Sheet Data						
Total assets	—	—	335,525	258,349	—	271,855
Total liabilities	—	—	276,983	192,440	—	201,264
Partners' capital(4)	—	—	54,422	53,949	—	54,890
***Pro Forma* Data(5)**						
Pro forma net income	—	—	—	20,099	9,584	11,324
Adjusted *pro forma* net income(3)(6)	—	—	—	21,289	10,125	11,605
Adjusted *pro forma* net income per share(3)(7)	—	—	—	$1.18	$0.56	$0.64
Pro forma shareholders' equity	—	—	—	—	—	54,890
Pro forma book value per share as adjusted for this Offering	—	—	—	—	—	$3.76
Pro forma shares outstanding as adjusted for this Offering	—	—	—	27,100,000	27,100,000	27,100,000
***Pro Forma* Selected Data and Ratios (unaudited)**						
Ratio of *pro forma* compensation (including incentive compensation) and benefits to total revenue	—	—	—	46.0%	48.2%	48.0%
Return on partners' capital (pre-tax)(8)	—	—	—	60.3%	—	32.6%

(1) Since GMP has historically operated in partnership form, all payments to partners have been accounted for as distributions to partners of capital or partnership income rather than as compensation expense and net income has not reflected any payments to partners of Griffiths McBurney & Partners. As such, historical net income does not reflect certain expected operating costs, including partners' incentive compensation and corporate income taxes. As a corporation, the Company will include incentive compensation of the former partners, now managing directors, as a compensation and benefits expense. The amounts of partners' incentive compensation and benefits noted above reflect actual historical allocations to the incentive compensation pool for each of the periods presented. The Company also will include, as an expense, income taxes that will be paid at the corporate level. For financial information that reflects *pro forma* expenses as if Griffiths McBurney & Partners had been a corporation, see "Summary *Pro Forma* Financial Statements".

(2) Adjusted income reflects net income adjusted such that the portion of the partners' distribution relating to partners' incentive compensation is accounted for as a compensation and benefit expense (but without the consequent adjustments for tax).

(3) This data is considered to be a non-GAAP earnings measure and does not have any standardized meaning prescribed by GAAP. It is therefore unlikely to be comparable to similar measures presented by other issuers.

(4) Partners' capital includes subordinated loans to employees and partners' equity, but excludes partners' undistributed earnings.

(5) *Pro forma* data reflects such adjustments as are necessary, in the opinion of management, for a fair presentation of the results of operations and shareholders' equity of the Company on a *pro forma* basis following the Reorganization. See the notes to the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus for more detailed information concerning these adjustments.

(6) Adjusted *pro forma* net income reflects *pro forma* net income adjusted to add back settlement and related costs, net of tax.

(7) Adjusted *pro forma* net income per share is calculated based on the weighted average number of shares outstanding after giving effect to the *pro forma* adjustments relating to the reorganization. See the notes to the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus for more detailed information concerning these adjustments and the calculation of adjusted *pro forma* net income per share.

(8) Return on partners' capital (pre-tax) represents the ratio of adjusted *pro forma* net income to partners' capital.

SUMMARY *PRO FORMA* FINANCIAL STATEMENTS

The following unaudited *pro forma* consolidated financial statements are based upon the unaudited consolidated financial statements of Griffiths McBurney & Partners for the year ended January 31, 2003 and the unaudited consolidated financial statements of Griffiths McBurney & Partners for the six months ended July 31, 2002 and 2003 as if the *pro forma* adjustments for the Reorganization and adjustments for this Offering that are described in the notes to the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus had occurred at the beginning of each of the respective periods.

The most significant of the adjustments reflected in the unaudited *pro forma* consolidated financial statements as a result of the Reorganization are the effects of:

- the incorporation of the Company to acquire, through its wholly-owned subsidiary GMP Securities, the business carried on by Griffiths McBurney & Partners and its subsidiaries;
- the conversion of employee subordinated loans and partners' capital to share capital upon completion of the Reorganization;
- the change in the manner of compensation of the partners of GMP from cash distributions in respect of their partnership interests in Griffiths McBurney & Partners to incentive compensation paid by the Company to them in their capacity as managing directors;
- the recognition of incentive compensation by the Company as an expense on an accrual basis for financial reporting purposes, rather than the recognition of distributions by Griffiths McBurney & Partners on a cash basis;
- the payment of corporate income taxes by the Company, where (as a partnership) no income taxes (other than income taxes of subsidiaries) had previously been paid insofar as the partners were individually liable for tax allocated to each of them; and
- the reduction of paid-up capital on the Company's Common Shares by $45 million (and the corresponding payment to the former partners of Griffiths McBurney & Partners as the then current shareholders of the Company).

The *pro forma* consolidated balance sheet of the Company as at July 31, 2003 also reflects earnings accrued during the second quarter of fiscal 2004 and distributed by Griffiths McBurney & Partners to its partners in the third quarter of fiscal 2004.

The *pro forma* consolidated financial statements are not necessarily indicative of either the results that actually would have been achieved if the events that they reflect had taken place on the dates indicated or the results that may be obtained in the future.

Pro Forma Consolidated Statement of Income (unaudited) ($ thousands, except shares and per share data)	Year Ended January 31, 2003				
	Historical Consolidated	*Pro Forma* Adjustments	*Pro Forma* Consolidated	Adjusted for Offering	*Pro Forma* Consolidated as Adjusted for Offering
Revenue:					
Investment banking	52,782	—	52,782	—	52,782
Sales and trading	38,678	—	38,678	—	38,678
Principal activities	(1,889)	—	(1,889)	—	(1,889)
Interest and dividends	2,633	—	2,633	—	2,633
Other	4,128	—	4,128	—	4,128
Total revenue	96,332	—	96,332	—	96,332
Expenses:					
Salaries and benefits	15,419	(7,070)	8,349	—	8,349
Incentive compensation	—	1,756 3,958 30,227	35,941	—	35,941
Selling, general and administrative	16,144	—	16,144	—	16,144
Interest	585	—	585	—	585
Amortization	525	—	525	—	525
Total operating expenses	32,673	28,871	61,544	—	61,544
Income before the undernoted	63,659	(28,871)	34,788	—	34,788
Income taxes	91	13,302	13,393	—	13,393
Settlements and costs, net	1,935	(745)	1,190	—	1,190
Non-controlling interest, net	106	—	106	—	106
Net income	61,527	(41,428)	20,099	—	20,099
Net income per share					
Basic and fully diluted, post Reorganization			$1.12		$0.74
Average shares outstanding					
Basic and fully diluted, post Reorganization			18,000,000		27,100,000

Pro Forma Consolidated Statement of Income (unaudited) ($ thousands, except shares and per share data)	Six Months Ended July 31, 2002 Historical Consolidated	*Pro Forma* Adjustments	*Pro Forma* Consolidated	Adjusted for Offering	*Pro Forma* Consolidated as Adjusted for Offering
Revenue:					
Investment banking	30,425	—	30,425	—	30,425
Sales and trading	16,128	—	16,128	—	16,128
Principal activities	(57)	—	(57)	—	(57)
Interest and dividends	1,570	—	1,570	—	1,570
Other	289	—	289	—	289
Total revenue	48,355	—	48,355	—	48,355
Expenses:					
Salaries and benefits	7,350	(3,194)	4,156	—	4,156
Incentive compensation	—	1,234	19,150	—	19,150
		1,614			
		16,302			
Selling, general and administrative	7,877	—	7,877	—	7,877
Interest	335	—	335	—	335
Amortization	241	—	241	—	241
Total operating expenses	15,803	15,956	31,759	—	31,759
Income before the undernoted	32,552	(15,956)	16,596	—	16,596
Income taxes	90	6,299	6,389	—	6,389
Settlements and costs, net	880	(339)	541	—	541
Non-controlling interest, net	82	—	82	—	82
Net income (loss)	31,500	(21,916)	9,584	—	9,584
Net income per share					
Basic and fully diluted, post Reorganization			$0.53		$0.35
Average shares outstanding					
Basic and fully diluted, post Reorganization			18,000,000		27,100,000

Pro Forma Consolidated Statement of Income (unaudited) ($ thousands, except shares and per share data)	Six Months Ended July 31, 2003				
	Historical Consolidated	*Pro Forma* Adjustments	*Pro Forma* Consolidated	Adjusted for Offering	*Pro Forma* Consolidated as Adjusted for Offering
Revenue:					
Investment banking	29,791	—	29,791	—	29,791
Sales and trading	18,588	—	18,588	—	18,588
Principal activities	1,360	—	1,360	—	1,360
Interest and dividends	1,478	—	1,478	—	1,478
Other	(281)	—	(281)	—	(281)
Total revenue	50,936	—	50,936	—	50,936
Expenses:					
Salaries and benefits	7,840	(3,257)	4,583	—	4,583
Incentive compensation	—	797 2,008 17,046	19,851	—	19,851
Selling, general and administrative	7,852	—	7,852	—	7,852
Interest	203	—	203	—	203
Amortization	234	—	234	—	234
Total operating expenses	16,129	16,594	32,723	—	32,723
Income before the undernoted	34,807	(16,594)	18,213	—	18,213
Income taxes	11	6,637	6,648	—	6,648
Settlements and costs, net	443	(162)	281	—	281
Non-controlling interest, net	(40)	—	(40)	—	(40)
Net income (loss)	34,393	(23,069)	11,324	—	11,324
Net income per share					
Basic and fully diluted, post Reorganization			$0.63		$0.42
Average shares outstanding					
Basic and fully diluted, post Reorganization			18,000,000		27,100,000

Pro Forma Consolidated Balance Sheet (unaudited) ($ thousands, except per share data)	As at July 31, 2003				
	Historical Consolidated	*Pro Forma* Adjustments	*Pro Forma* Consolidated	Adjusted for Offering	*Pro Forma* Consolidated as Adjusted for Offering
Assets:					
Cash and cash equivalents	28,140	(15,701)	12,439	42,094	54,533
Securities owned, at market	49,658	—	49,658	—	49,658
Receivables	188,296	—	188,296	—	188,296
Other assets	4,198	—	4,198	—	4,198
Long-term assets	1,563	—	1,563	—	1,563
	271,855	(15,701)	256,154	42,094	298,248
Liabilities and Shareholders' Equity					
Liabilities:					
Bank loan and overdraft	4,214	—	4,214	—	4,214
Securities sold short, at market	20,528	—	20,528	—	20,528
Payables to clients and brokers	164,514	—	164,514	—	164,514
Other	6,816	—	6,816	—	6,816
	196,072	—	196,072	—	196,072
Non-controlling interest	192	—	192	—	192
Subordinated loans					
Approved non-industry investors	5,000	—	5,000	(5,000)	—
Current partners	2,728	(2,728)	—	—	—
Partners' equity	67,863	(52,162) (6,695) (9,006)	—	—	—
	271,855	(70,591)	201,264	(5,000)	196,264
Shareholders' equity:					
Common shares:					
Issued	—	54,890	54,890	100,100 (45,000) (8,006)	101,984
	—	54,890	54,890	47,094	101,984
	271,855	(15,701)	256,154	42,094	298,248
Book value per share					$3.76

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

The following is a discussion of the consolidated financial condition and results of operations of Griffiths McBurney & Partners for the periods indicated and of certain factors that we believe are likely to affect our continuing financial condition, cash flows and results of operations. The following discussion should be read in conjunction with the audited consolidated financial statements of Griffiths McBurney & Partners and the accompanying notes thereto appearing elsewhere in this prospectus. As certain aspects of the financial reporting of GMP will change as a result of the Reorganization, the following discussion should also be read in conjunction with "Summary *Pro Forma* Financial Statements" and the unaudited *pro forma* consolidated financial statements of the Company, including the notes thereto, appearing elsewhere in this prospectus. See "Risk Factors" for a discussion of risks inherent in our business which may also affect our continuing financial condition, cash flow and results of operations.

Overview

We are a leading Canadian independent investment dealer and are focused on serving corporate clients and institutional investors. Our main revenue generating activities are investment banking and trading as agent for our clients. Each of these activities complements the other. We also generate revenue through interest income, as well as a small portion from principal activities. These activities include proprietary trading (in which a small group of professionals actively trades securities of companies that we follow to facilitate an efficient market in those securities), holding of broker warrants that we receive as part of our compensation pursuant to certain corporate finance engagements, holding securities that we may have underwritten but that may not yet have been sold, and investments that we may make for our own account in unusual situations.

One of our basic business strategies is to bring value-added investment banking, sales and trading and research services to our institutional and corporate client base. In the implementation of this strategy, we have focused on controlling our fixed costs and incurring incremental, variable expenses (primarily incentive compensation expense) only in the context of increased revenue generation and overall profitability. We strive to bring a disciplined approach to our operations and maintain very low levels of general and administrative expenses. This approach has allowed us to obtain an average rate of return on partners' capital on a pre-tax basis (after deducting amounts in respect of incentive compensation) of approximately 70.8% over the last four years.

Our primary business activities are, by their nature, both competitive and subject to various risks. The primary risks are variations in the value of securities, the volatility and liquidity of trading markets and the volume of new financings and mergers and acquisitions. Other factors, such as general economic conditions and credit risk also may have an impact on our results of operations. See "Risk Factors".

The eight years since we began operations have seen tremendous volatility and change in Canadian and global capital markets, including the technology bull market of the late 1990s, the Asian sell-off and related liquidity crisis in 1998, and the general impact on the global economy of the events of and following September 11, 2001. Accordingly, our revenue and net income have historically been, and will continue to be, subject to significant fluctuations, reflecting these factors and others, including general competitive conditions, many of which may be beyond the control of GMP. Additionally, there may be lags between these market fluctuations and the level of our activity and their impact on our financial results, particularly in our investment banking business. Generally, our fees in respect of both corporate finance and M&A activities are paid upon the closing of transactions, which often occur in a financial quarter that is later than the time of the announcement of, or our most significant involvement in, a transaction.

Results of Operations

Six Months Ended July 31, 2003 Compared To July 31, 2002

The first half of 2003 has represented a significant reversal of fortunes for the Canadian and global equity markets. After a nearly three-year decline culminating in a bottom in October 2002, the equity markets have posted a significant rally. From the low close on October 10, 2002 to the close on October 15, 2003, the Dow Jones Industrial Average, S&P 500 and Nasdaq indices have rallied 30.1%, 30.2% and 66.7%, respectively. In addition, the S&P/TSX 60 and S&P/TSX Composite Index have posted gains of 34.2% and 33.9%, respectively, during that period.

This more positive tone to the market has led to a significant acceleration of market activity of both our corporate finance and trading operations. Benefiting these trends as well is a more broadly-based equity market rally with virtually all market sectors participating, as opposed to strength in one or two sectors that has marked the equity markets for the last several years. Lastly, after an extended period of redemptions in the mutual fund industry, the industry is seeing a reversal in these redemption figures and indeed a slow turn towards positive net sales for the first time in 18 months. Such positive capital flows are critical to continue the current buoyant period of market activity.

Revenue

Total revenue for the six months ended July 31, 2003 increased to $50.9 million from $48.4 million in the comparable period in 2002. A strong rally in the equity markets resulted in strong revenues across virtually all of our business lines.

Investment banking revenue of approximately $29.8 million was essentially flat period-over-period with $30.4 million in the comparable period last year. Our strong franchise in the mining business, along with a sharp rally in metal prices, led to continued strong investment banking revenues from that sector. Revenues from the mining sector were $13.2 million, or approximately 44.5%, of our total investment banking revenues. Also, we continued to experience strong revenue contribution from oil and gas financings, as well as a modest pick-up in revenues in the technology, industrial products and financial services sectors.

Sales and trading revenue in the period experienced a strong increase of 15.5% to $18.6 million from $16.1 million. This increase resulted from the previously mentioned increase in general trading activity as well as a significant increase in the trading of gold equities, which is one of our core areas of strength. The month of September 2003 saw trading volume of 5.7 billion shares on the Toronto Stock Exchange, breaking the record of 5.3 billion set in February 2000.

Revenue from all other sources increased to approximately $2.6 million from $1.8 million in the previous period. This increase was achieved through an improvement in our principal activities to $1.3 million compared to a loss of $57,000 in the prior period. This increase was partially offset by a decline in interest, dividend and other income to $1.2 million from $1.8 million in the prior period.

Expenses

Total expenses for the six months ended July 31, 2003 remained essentially flat despite the increased market activity. Total expenses were $16.1 million versus $15.8 million in the comparable period of 2002, representing an increase of 2%. Salaries increased from $7.4 to $7.8 million, or 5.4%, as a result of increased hiring to meet the accelerated market activity. The total of $7.8 million included $4.5 million as fixed salary expense with the remaining $3.3 million being variable incentive-based compensation. The variable compensation component is calculated as a percentage of corporate finance and sales/trading revenues and as such is only payable if GMP generates revenue in these areas. *(For the purpose of this discussion, we refer to our fixed expenses as operating expenses (total expenses less variable compensation).* This increase was partially offset by small reductions in our sales, general and administrative, interest and amortization expenses. We continue to focus effectively on tight cost control in both good and bad markets in order to ensure the maximization of our operating profits. We adhere to the goal of being a low-cost provider in the industry in order to remain competitive throughout varied market cycles. This philosophy has contributed to our consistent record of positive operating profit since we began operations eight years ago.

Net Income

Net income of GMP for the six-month period increased to $34.4 million from $31.5 million in the comparable period. *Pro forma* income before taxes (after the payment of all variable incentive-based compensation) in the six-month period was $17.8 million versus $15.5 million, representing a pre-tax return on capital of approximately 32.6% versus 28.4% in the comparable 2002 period.

Year Ended January 31, 2003 Compared To January 31, 2002

Calendar 2002 represented a continuation of the extremely difficult equity markets of the preceding 18 months. Global equity markets continued their slide from the peak achieved in March 2000 to the low achieved in October 2002. By way of example to display the order of magnitude of this decline, the Nasdaq Composite Index dropped from 5048 to 1114 in that period or approximately 77.9%. Other global market indices experienced similar, if not as dramatic, declines. The year was also marked by scandals in Corporate America, Wall Street and elsewhere, which further depressed market sentiment as well as overall activity levels. These difficult market conditions presented a challenging environment for the industry, with dramatic revenue and profit declines, continued head count reductions and cost restructuring as well as changes to the corporate governance/regulatory environment which led to substantial operating changes within all securities firms.

While calendar 2002 saw a significant increase in equity issuance, it also represented the second consecutive year of declines in M&A activity and trading volumes. GMP, due to its entrepreneurial culture, diversified sector focus and efficient cost structure, did not experience any meaningful downturn in its business despite this difficult environment. The difficult market conditions of 2002 served to validate the GMP model and our ability to generate healthy returns in all market environments.

Revenue

Total revenues for the year ended January 31, 2003 were approximately $96.3 million, down 1.8% from the $98.1 million achieved in the previous year.

Revenue from GMP's investment banking business was $52.8 million, compared to the $54 million achieved in the prior year. Once again, our focus on a variety of sectors allowed us to meet the challenges of a difficult overall financing market by focussing on those areas where execution of investment banking mandates was possible.

Our mining group contributed $17.6 million or 33% of total investment banking revenues versus $1.1 million (2%) in the prior year. In addition, we made substantial increases in our headcount in the industrial products/special situations area, which resulted in an increase in investment banking revenue to $8.2 million from $5.7 million in the prior year. These strong increases helped offset continued declines in investment banking revenue in the technology and telecommunications sectors.

Sales and trading revenues were approximately $38.7 million, up 11% from the $35 million in the prior year. This increase compares very favourably to the 11% decline experienced by the industry as a whole and represents significant market share gains in the period. GMP used the market downturn to attract additional talented individuals from our competitors, which allowed us to increase revenue in our sales and trading operations despite the difficult conditions. We were also effective in not only increasing overall commission revenue but also broadening our account base by increased penetration in our core areas as well as a geographical expansion of our account coverage. This success is shown by the fact that our top 40 institutional accounts accounted for 51.9% of our overall commissions, which has declined every year from the 75.7% level in 1998. Such "broadening" has given us greater stability and predictability in our sales and trading revenues.

Revenue from all other sources (principal activities and interest and borrowing fees) declined to $4.9 million from $9.0 million the prior year. This decline resulted primarily from a loss from our principal activities of $1.9 million versus a gain of $3.9 million in the prior year. The loss resulted primarily from the bankruptcy of one company in which we held securities. A subsequent restructuring has allowed us to recoup this unrealized loss in a subsequent period. Interest income declined to $2.6 million from $3.9 million in the prior year primarily due to a continued decline in the current interest rate environment. Other income increased to $4.1 million from $1.1 million primarily as a result of a $4.3 million gain from the sale of our shares in the TSX as part of its initial public offering during 2003.

Expenses

Total expenses for the year ending January 31, 2003 were $32.7 million, down 6.6% from the $35 million in the prior year (before unusual items). GMP continued to focus on costs throughout a difficult year and is pleased with the modest decline. Salaries and benefits dropped to $15.4 million from $17.9 while sales, general and administrative expenses increased to $16.1 million from $15.8 million. Of the $15.4 million in total salary, $7 million is variable incentive-based compensation, with the remaining $8.4 million being fixed salary expense. Sales, general and administrative expenses increased primarily as a result of increased spending in travel and client promotions ($650,000) as well as significant increases on research printing costs ($470,000) and increased legal and audit fees ($350,000).

Net Income

Net income of GMP for the year ending January 31, 2003 was $61.5 million versus $54.3 million in the year ended January 31, 2002. After the payment of all variable incentive-based compensation, *pro forma* pre-tax income was $32.7 million versus $30.3 million for the year ended January 31, 2002. GMP achieved a pre-tax return on capital of 60.3% versus 53.5% in the prior year.

Year Ended January 31, 2002 Compared To January 31, 2001

Revenue

Calendar year 2001 was a difficult period for the investment dealer industry, with reductions in revenue and profitability for most participants as a result of declining equity markets, lower trading volumes and sharp declines in corporate finance activity. By way of example, the value of merger and acquisition activity for the industry declined by over 45% with equity trading revenue falling by 66%. The latter part of the year was marked by layoffs at many investment dealers and significant cost cutting efforts to offset declining revenues. In part as a result of our more efficient cost structure, GMP did not experience the lay-offs that were typical in the industry and continued its operations without significant disruption. Total revenue for the year ended January 31, 2002 was approximately $98.1 million, approximately 22.9% less than the total revenue of approximately $127.3 million for the year ended January 31, 2001.

Revenue from GMP's investment banking business decreased to approximately $54.0 million for the year ended January 31, 2002 from approximately $67.5 million in the prior year. The decrease was attributable primarily to the significant decline experienced in the technology and telecommunications sectors. Revenue from these two sectors, a traditional area of strength for GMP, decreased from approximately $28.1 million in the year ended January 31, 2001 to approximately $8.7 million in the year ended January 31, 2002, accounting for the majority of the decline in overall investment banking revenue.

Sales and trading revenue was approximately $35.1 million for the year ended January 31, 2002, compared with approximately $48.8 million in the prior year, representing a decrease of approximately 28%, which compares favourably to the previously mentioned 66% decline experienced in equity trading revenue by the industry as a whole.

Revenue from all other sources, which consists primarily of principal activities and interest and borrowing fee income was approximately $8.9 million for the year ended January 31, 2002, compared to approximately $11.0 million for the year ended January 31, 2001. A significant portion of this decline resulted from a drop in interest and dividend income to $3.9 million from $5.3 million in the prior year as a result of large interest rate reductions instituted by the Federal Reserve and the Bank of Canada during this period. While not a primary focus of our business, these activities have been consistently profitable for GMP.

Expenses

Before an unusual charge of approximately $8.2 million in connection with the settlement of the various civil actions discussed under "Legal Proceedings" and related costs, total expenses for the year ended

January 31, 2002 declined approximately 21% to approximately $35.0 million, from approximately $44.4 million in the previous year. Selling, general and administrative expenses for the year ended January 31, 2002 were approximately $15.7 million, a reduction of 19% as compared to selling, general and administrative expenses in the previous year of approximately $19.4 million. Reduced expenses for the year ended January 31, 2002 reflected small decreases in fixed salaries and benefits expense of approximately $0.2 million (4.1% decrease), a reduction of variable incentive-based compensation of approximately $4.2 million (as subordinated debt employees became partners), a reduction of travel and entertainment expense of approximately $0.3 million (13.6% decrease) and stock exchange fees of approximately $1.2 million (38% decrease). These reductions were partially offset by increases in communications expense of approximately $0.7 million and general and office expense of approximately $0.2 million. GMP continued to focus on the cost side of its business and initiated further cost reduction measures at the end of its 2002 fiscal year, the benefits of which have been realized in subsequent periods.

Net Income

Net income before unusual items for the year ended January 31, 2002 was approximately $63.1 million, compared to approximately $82.9 million in the year ended January 31, 2001, a decrease of approximately 23.9%. After the payment of all variable incentive-based compensation, GMP earned pre-tax *pro forma* income of $30.3 million versus $48 million, representing a pre-tax return on capital of approximately 53.5% in the year ended January 31, 2002, compared to 89% in the prior year.

Year Ended January 31, 2001 Compared To Year Ended January 31, 2000

Calendar 2000 was an exceptional period for both the investment dealer industry as a whole and for GMP. Our revenues, and those of many other investment dealers, were the highest in our history. Unusually strong equity markets, particularly in the technology and telecommunications sectors, resulted in an unprecedented surge in capital markets activity, which led to record trading and corporate finance volumes for GMP. Total revenue for the year ended January 31, 2001 increased to approximately $127.3 million, approximately 30% higher than revenue of approximately $97.7 million for the year ended January 31, 2000.

Revenue

Revenue from GMP's investment banking business increased to approximately $67.5 million for the year ended January 31, 2001 from approximately $48.8 million in the prior year, an increase of approximately 38%. This increase was primarily attributable to substantially increased levels of activity in the oil and gas and technology sectors.

Sales and trading revenue was approximately $48.8 million for the year ended January 31, 2001, compared with approximately $37.6 million for the year ended January 31, 2000, an increase of approximately 29.8%.

Revenue from all other sources, which consists primarily of principal activities and interest and borrowing fee income, was approximately $11 million for the year ended January 31, 2001, compared to approximately $11.3 million for the year ended January 31, 2000.

Expenses

Expenses for the year ended January 31, 2001 increased to approximately $44.4 million from approximately $31.0 million for the year ended January 31, 2000. Selling, general and administrative expenses for the year ended January 31, 2002 were approximately $19.4 million, an increase of 23.6% as compared to selling, general and administrative expenses in the previous year of approximately $15.7 million. A number of factors contributed to the increase in expenses for the year ended January 31, 2001. Increases in trading volumes, combined with changes in the TSX fee structure, accounted for almost $2.2 million of the increase. Additionally, upgrading technology for internet, communications and launching of our web site contributed more than $0.5 million of expenditures.

Net Income

Net income for the year ended January 31, 2001 was approximately $80.4 million, compared to approximately $66.4 million for the year ended January 31, 2000, an increase of 21.8%. *Pro forma* pre-tax income after the payment of all variable incentive-based compensation expense was $48 million versus $39.8 million in the prior period, representing a pre-tax return on capital of 89% in the year ended January 31, 2001 compared to 80.2% for the year ended January 31, 2000.

Liquidity and Capital Resources

Total cash and cash equivalents was $28.1 million at July 31, 2003, down from $35.1 million at January 31, 2003. Our business requires capital for operating and regulatory purposes. The assets reflected on the balance sheet of Griffiths McBurney & Partners are highly liquid, which provides us flexibility in carrying on our business. The liquidity of our assets is attributable to the fact that they consist primarily of cash or assets that are readily convertible into cash and the majority of the security positions we hold are readily marketable and are recorded at their market value. The value of the securities that we hold fluctuates with market values and may be affected by a variety of factors such as economic and market conditions. Our customer margin receivables are secured by readily marketable securities, are reviewed daily, and are subject to our right to demand payment at any time. Inter-broker receivables and payables represent either current open transactions, which normally settle within three business days, or collateralized securities that are borrowed and/or loaned in transactions that can be closed within a few days on demand.

Historically, we have obtained the majority of the capital required for our business from our partners. We borrow money primarily to facilitate the securities settlement process for both client and partnership securities transactions. To this end, we have arranged various credit facilities with a Canadian chartered bank in an aggregate maximum amount of $160 million. These call loan, letter of credit and daylight overdraft facilities are collateralized by either unpaid securities and/or securities owned by us. Amounts drawn on these credit facilities will vary from day to day. As of November 25, 2003, approximately $1.2 million were drawn on these facilities. Other than these facilities, we currently have no material indebtedness. A subordinated loan facility provided to us by the same Canadian chartered bank that, prior to this Offering, was drawn down in an amount of $5 million, will be repaid in full from the net proceeds of this Offering. We believe that the net proceeds of this Offering will afford the Company a sufficient and appropriate level of capital for both our operating and regulatory purposes.

Cash Flow from Operations

Cash flow from operations was $19.3 million in the six months ended July 31, 2003. The primary contributors to cash flow in this period were $34.6 million in net income excluding amortization. Amounts due to/from clients and brokers increased due to increased activity in the equity markets and are primarily a function of trades initiated prior to the period end but not settling until after period end. Amounts due to issuers increased by $7.6 million and is solely a function of the timing of our investment banking activities. Similarly, commission and other receivables net of accounts payable and accrued liabilities increased by $900,000 primarily due to an increase in our core activities.

Following this Offering, we will continue to focus on controlling our fixed costs and incurring incremental, variable expenses (such as incentive compensation expense) only in proportion to increased revenue generated and overall profitability. By way of example, our incentive compensation expense (formerly accounted for as a distribution to partners of capital or partnership income) is intended to continue to reflect a fixed proportion (40%) of our revenue. Consequently we anticipate funding all of our operating expenses from cash on hand and from our operations.

Our future liquidity and capital requirements will principally depend on our rate of growth and the means by which we achieve our growth. For example, we may use cash resources to fund strategic acquisitions of competing or complementary businesses; however, the ability to use our Common Shares as “currency” in such transactions has also been recognized (and contributed to our decision to go public). We believe that the net proceeds from the sale of the Common Shares in this Offering, together with cash on hand and revenue from our operations, will be sufficient to meet our cash requirements for the foreseeable future.

DIRECTORS AND EXECUTIVE OFFICERS

The following table and biographical information sets out, for each of the executive officers and directors of the Company and each of the executive officers of GMP Securities, their names, municipalities of residence, position(s) with the Company and/or GMP Securities, and principal occupations. Each of Mr. Sullivan and Mr. Budd became directors of the Company on its incorporation on October 20, 2003. Each of Mr. Binns, Mr. Beck, Mr. Paquin and Mr. Peters became directors of the Company on November 25, 2003. All of the directors have been elected to serve until the first annual meeting of shareholders.

Name and Municipality of Residence	Position with GMP	Principal Occupation
KEVIN M. SULLIVAN, BA, LLB, CFA Toronto, Ontario	Member of Board of Directors and Chief Executive Officer of Company; Member of Executive Committee and Managing Director of GMP Securities	Chief Executive Officer and Member, Executive Committee of Griffiths McBurney & Partners
STANLEY M. BECK, QC Toronto, Ontario	Member of Board of Directors	President, Granville Arbitrations Limited
RONALD W. BINNS Toronto, Ontario	Member of Board of Directors	Chief Financial Officer of Nevada Capital Corporation Ltd.
THOMAS A. BUDD, MBA, CMA Calgary, Alberta	Member of Board of Directors and President of Company; Co-Head of Corporate Finance, Member of Executive Committee and Managing Director of GMP Securities	President, Co-Head, Corporate Finance and Member, Executive Committee of Griffiths McBurney & Partners
ANTOINE PAQUIN Newport Beach, California	Member of Board of Directors	President and Chief Executive Officer of Axiom Microdevices Inc.
ROBERT G. PETERS Calgary, Alberta	Member of Board of Directors	President of Black Diamond Land & Cattle Co.
J. ROBERT FRASER, MBA Toronto, Ontario	Member of Executive Committee and Managing Director, Investment Banking of GMP Securities	Managing Partner, Investment Banking and Member, Executive Committee of Griffiths McBurney & Partners
ADINA MASSON-CROCKER, BCOMM, CA Burlington, Ontario	Chief Financial Officer of Company; Managing Director of GMP Securities	Chief Financial Officer of Griffiths McBurney & Partners
EUGENE C. MCBURNEY, MA, LLB Toronto, Ontario	Co-Head of Corporate Finance, Member of Executive Committee and Managing Director of GMP Securities	Chairman, Co-Head, Corporate Finance and Member, Executive Committee of Griffiths McBurney & Partners
PAUL K. PEW, CA, CFA Toronto, Ontario	Head of Research, Member of Executive Committee and Managing Director of GMP Securities	Director, Equity Research and Member, Executive Committee of Griffiths McBurney & Partners
MICHAEL A. WEKERLE Toronto, Ontario	Head of Trading, Member of Executive Committee and Managing Director of GMP Securities	Head of Trading and Member, Executive Committee of Griffiths McBurney & Partners

After completion of this Offering, as a group, our directors and executive officers will beneficially own, directly or indirectly, or exercise control or direction over, 9,132,073 Common Shares, representing approximately 33.7% (32.6% assuming the Over-Allotment Option is exercised in full) of the issued and outstanding Common Shares.

The following are brief biographies of our directors and executive officers:

Kevin M. Sullivan, BA, LLB, CFA has been a partner since October 1995 and co-founded Griffiths McBurney & Partners' sales and trading operations. He now oversees the firm's overall operations. Kevin has 15 years of experience and relationships in the industry. Kevin was formerly a director and vice-president of a leading Canadian investment dealer for a period of six years. Prior to that, he also spent three years in the European capital markets. Before his career in the capital markets, Kevin was a lawyer in general practice in Calgary, Alberta.

Stanley M. Beck, QC has been President of Granville Arbitrations Limited (an arbitration and mediation firm) for more than five years. Mr. Beck was previously a Professor of Law and Dean (1977-1982), Osgoode Hall Law School, Toronto. From 1985 to 1990, Mr. Beck served as Chairman of the Ontario Securities Commission. He is a director of a number of public companies and also acts as a consultant on securities and corporate matters.

Ronald W. Binns is currently the Chief Financial Officer of Nevada Capital Corporation Ltd. From 1989 to 2002, he served as the Chief Financial Officer of Franco-Nevada Mining Corporation Ltd. Mr. Binns obtained his Chartered Accountancy with Coopers & Lybrand in 1984, has lectured extensively for the B.C. Institute of Chartered Accountants and "Big Four" accounting firms and has been a director of several public and private companies.

Thomas A. Budd, MBA, CMA has been a partner since April 1996 and has established and developed the firm's Calgary office. His extensive knowledge and expertise has allowed him to rank as one of the top advisors on M&A transactions. Thomas was a founding partner and director of an independent investment dealer in Calgary for a period of six years. Prior to that, he held corporate finance positions with two national investment dealers for eight years.

Antoine Paquin is a serial entrepreneur in the field of communications systems and semiconductors and has been the President and Chief Executive Officer of Axiom Microdevices Inc., a start-up company based in Orange County, California, since 2002. From 2001 to 2002, Mr. Paquin served as President and Chief Executive Officer of Bitflash Inc. From 1998 to 2000, Mr. Paquin served as President and Chief Executive Officer of Philsar Semiconductor Inc. From 1995 to 1997, he was the founder, President and Chief Executive Officer of Skytone Systems Inc.

Robert G. Peters is currently the President of Black Diamond Land & Cattle Co., a private company with interests in real estate development, ranching and energy investments. Mr. Peters is also involved in the real estate industry and is founder and partner in the Elbow Valley Development Project. Up to 2002, Mr. Peters was the Chairman of Peters & Co. Limited, an investment company headquartered in Calgary, specializing in energy investments (a company he founded in 1971). Mr. Peters is also a director of StarPoint Energy Ltd., Airborne Energy Solutions Ltd., Odorchem Manufacturing Corp. and STARS, and a trustee of Big Rock Brewery Income Trust.

J. Robert Fraser, MBA has been a partner since Griffiths McBurney & Partners' inception and was appointed to the firm's Executive Committee in 2002. Robert has grown the firm's technology and communications expertise within the corporate finance area. Robert joined the firm from the corporate finance department of another independent Canadian investment dealer.

Adina Masson-Crocker, **BComm, CA** has been a partner of Griffiths McBurney & Partners since September 1996. Originally in the position of Vice President Finance, in June 1999, she was appointed as Chief Financial Officer of both Griffiths McBurney & Partners and its U.S. subsidiary. Prior to joining Griffiths McBurney & Partners, Adina spent five years as controller for an international investment dealer and has been a senior examiner with the Toronto Stock Exchange. Adina oversees all financial aspects of the firm and, in conjunction with the back office executive members, is responsible for all financial and operational functions at Griffiths McBurney & Partners.

Eugene C. McBurney, MA, LLB is Griffiths McBurney & Partners' co-founder. He brings extensive knowledge, background and expertise in the securities industry to the firm. In addition to his role as Chairman of Griffiths McBurney & Partners, Eugene heads investment banking in Toronto and Montreal.

Paul K. Pew, CA, CFA joined Griffiths McBurney & Partners as a partner in early 1997 and established the firm's presence in the telecommunications, cable and media sectors. Paul was promoted to Director of Griffiths McBurney & Partners' equity research department in 2001, while at the same time becoming a member of the Executive and Compensation Committees. Prior to becoming an investment analyst, Paul spent three years with an international full-service accounting firm.

Michael A. Wekerle has been a partner since October 1995 and co-founded Griffiths McBurney & Partners' sales and trading operations. Michael now manages the institutional trading department of the firm, bringing years of trading experience to his position. He was formerly a director and vice-president of a large, independent Canadian investment dealer in charge of its institutional trading functions for more than 12 years.

Committees of the Board of Directors

Our board of directors will have a Corporate Governance Committee, an Audit Committee and a Compensation Committee. The membership of the committees and their respective mandates are described below.

The Corporate Governance Committee will consist of three or more individuals who meet the independence requirements of the Toronto Stock Exchange Guidelines on Corporate Governance and applicable legislation. The Corporate Governance Committee's mandate includes the development and recommendation to the board of directors of appropriate Corporate Governance Guidelines, the identification of future board and committee members and the annual review of the Board's performance.

The Audit Committee will consist of three or more individuals who meet the independence and experience requirements of the Toronto Stock Exchange Guidelines on Corporate Governance and applicable legislation. The Audit Committee mandate includes assisting the board of directors in its oversight and evaluation of our financial statements.

The Compensation Committee will consist of three or more individuals who meet the independence requirements of the Toronto Stock Exchange Guidelines on Corporate Governance and applicable legislation. The Compensation Committee's mandate includes evaluating our Chief Executive Officer's performance and determining his compensation, reviewing and making recommendations to the board of directors with respect to the compensation of all executive officers of GMP, fixing and determining (or delegating the authority to fix and determine) awards to GMP employees of stock or stock options under the Company's incentive plans and reviewing key GMP human resources policies and programs.

EXECUTIVE COMPENSATION

Since our inception, we have compensated our partners based exclusively on merit and contribution to the revenue generated by our business. Our partners have not been entitled to either a salary or a regular draw. Historically, we have allocated approximately 60% of our revenue (the "Firm Amount") to pay all firm expenses, including staff and non-partner salaries, and approximately 40% of our revenue to an incentive compensation pool (the "Compensation Pool") from which we pay partner compensation and staff bonuses. Our Compensation Committee meets on a monthly basis to determine monthly compensation for our partners.

Historically, as a partnership, our pre-tax earnings (being the balance of the Firm Amount remaining after the payment of all expenses) were distributed to our partners on an annual basis. The total cash distribution in each of the past three fiscal years has amounted to $53.7 million, $63.6 million and $83.1 million, respectively ($24.6 million, $36.3 million and $46.9 million, respectively, when amounts paid as compensation are deducted). Following completion of this Offering, we will retain earnings, pay taxes where applicable and declare dividends in accordance with a dividend policy to be adopted by our board of directors. See "Dividend Policy".

Following completion of this Offering, we intend to continue the practice of compensating our managing directors and other employees by allocating approximately 40% of all revenue to the Compensation Pool. The following table provides a summary of the compensation earned from the Compensation Pool in respect of the fiscal years ended January 31, 2001, 2002 and 2003, by each of our Chief Executive Officer and the four next most highly compensated executive officers who are currently serving as our executive officers (together with the Chief Executive Officer, the "Named Executive Officers").

Summary Compensation Table

		Annual Compensation			
Name and Principal Position	**Years**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation ($)**	**All Other Compensation**
Kevin M. Sullivan	2001	—	1,532,000	—	—
Chief Executive Officer and Member,	2002	—	1,025,000	—	—
Executive Committee	2003	—	1,177,565	—	—
Thomas A. Budd	2001	—	7,240,915	—	—
President, Co-Head, Corporate Finance and	2002	—	8,944,276	—	—
Member, Executive Committee	2003	—	4,376,400	—	—
J. Robert Fraser	2001	—	3,267,000	—	—
Managing Partner, Investment Banking and	2002	—	1,268,000	—	—
Member, Executive Committee	2003	—	1,494,800	—	—
Eugene C. McBurney	2001	—	1,155,000	—	—
Chairman, Co-Head, Corporate Finance and	2002	—	520,000	—	—
Member, Executive Committee	2003	—	1,628,800	—	—
Michael A. Wekerle	2001	—	1,964,400	—	—
Head of Trading and Member,	2002	—	1,754,481	—	—
Executive Committee	2003	—	2,325,500	—	—

Employment Agreements

We will enter into an employment agreement with our Chief Executive Officer effective on the closing of this Offering. The agreement will be for an initial term expiring two years from the date of the closing of this Offering.

Under his employment agreement, Mr. Sullivan will be entitled to receive an annual salary of $500,000 as compensation for his services as our Chief Executive Officer. Additionally, he will be entitled to receive a discretionary bonus and compensation determined in a manner consistent with the practice of compensating managing directors as described under "Executive Compensation". Upon a termination of Mr. Sullivan's employment by the Company without cause, Mr. Sullivan shall be entitled to receive from the Company two years' salary and compensation.

Mr. Sullivan's employment agreement will contain non-competition and non-solicitation covenants analogous to those contained in the partner transition agreements of partners with a 1% or greater interest in Griffiths McBurney & Partners.

Compensation of Directors

Our non-employee directors are eligible to receive an annual fee of $25,000 for their services as directors and an additional annual fee of $5,000 for their services as members of a committee of the board of directors. Directors are also reimbursed for expenses incurred in attending board of directors and committee meetings or otherwise in the performance of their duties. See "Interest of Management and Others in Material Transactions".

In addition, we have granted to our existing non-employee directors, subject to required regulatory approval, options to purchase, in the aggregate, 160,000 of our Common Shares. Such options will be exercisable in four equal instalments on each of the first four anniversaries of the date of grant at an exercise price equal to the public offering price disclosed on the face page of this prospectus.

Insurance Coverage and Indemnification

The directors and officers of the Company and the directors and officers of its affiliate entities are covered under a directors and officers insurance policy providing an aggregate limit of liability to the insured directors and officers of $20 million.

Our by-laws also provide for the indemnification of our directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties or office, either for us or any affiliated entity, subject to certain customary limitations.

OPTION PLAN

We have adopted, subject to regulatory approval, an option plan to provide incentives to the directors, officers, employees and service providers of, or retained by, us and/or any of our subsidiaries. Initially, no more than 10% of the Common Shares outstanding after completion of this Offering will be issuable pursuant to options granted under this plan and options to purchase no more than 5% of the Common Shares outstanding from time to time may be issued to any one person and such person's associates within any one year period.

The terms, conditions and limitations of each option granted under the option plan will be determined by our Compensation Committee, subject to the rules of the Toronto Stock Exchange and any other applicable regulatory authority. Options may be granted at a price that is not less than the market price of the Common Shares at the time of the grant. Each option will be exercisable for a maximum term of 10 years, will vest over a four-year period (with the first vesting being on the first anniversary of the date of granting the option). Options may be granted to (i) a director, officer or employee of the Company or its subsidiaries; (ii) a corporation controlled by an individual identified in (i) or their spouse; (iii) a family trust of an individual identified in (i); or (iv) a service provider to the Company or any of its subsidiaries. Common Shares underlying options that are not exercised prior to expiration or that are cancelled are then available for subsequent option grants.

If a holder ceases to be an eligible person under the option plan, all vested options held by that person will be exercisable for a period of 180 days (or, in the case of death, one year) following the date that the holder ceases to be an eligible person, after which the options will terminate. All unvested options will immediately terminate upon the holder ceasing to be an eligible person unless the Compensation Committee determines otherwise.

We have granted options to purchase, in the aggregate, 1,276,000 Common Shares to partners with less than a 1% interest in, and employees of, Griffiths McBurney & Partners under the option plan, in each case at an exercise price equal to the offering price and subject to required regulatory approval and completion of the transactions contemplated by this prospectus.

PRINCIPAL SHAREHOLDERS

The following table contains certain information with respect to holders of our Common Shares who, as at the date hereof, owned of record or who, to our knowledge, owned beneficially (directly or indirectly) more than 10% of any class or series of our voting securities. None of our shareholders is selling any Common Shares pursuant to this Offering.

Name of Shareholder	Type of Ownership	Number of Common Shares	% of Total Outstanding Common Shares(1)	% of Total Outstanding Common Shares After Giving Effect to this Offering(2)
Budd GM&P Partner Corporation(3)	Indirect	1,958,163	10.9	7.2%
Wekerle GM&P Partner Corporation(4)	Indirect	1,958,163	10.9	7.2%

Notes:

(1) Following the Reorganization, but before giving effect to this Offering. See "The Reorganization".

(2) Without giving effect to the exercise of the Over-Allotment Option.

(3) Budd GM&P Partner Corporation is the personal holding company of Thomas A. Budd.

(4) Wekerle GM&P Partner Corporation is the personal holding company of Michael Wekerle.

PLAN OF DISTRIBUTION

The Company, GMP Securities and Griffiths McBurney & Partners have entered into an underwriting agreement dated November 25, 2003 (the "Underwriting Agreement") with CIBC World Markets Inc., Griffiths McBurney & Partners, BMO Nesbitt Burns Inc., Dundee Securities Corporation, Canaccord Capital Corporation, Haywood Securities Inc., McFarlane Gordon Inc. and Sprott Securities Inc. (collectively, the "Underwriters"). Pursuant to the Underwriting Agreement, we have agreed to issue and sell 9,100,000 of our Common Shares and the Underwriters have agreed to purchase all those Common Shares on the closing date, being December 9, 2003 or any other date agreed upon by us and the Underwriters that is not later than December 31, 2003. The agreement to sell and purchase all, but not less than all, of the Common Shares is at a price of $11.00 per share, payable in cash against delivery of share certificates evidencing the Common Shares, and is subject to the conditions stipulated in the Underwriting Agreement. The offering price of our Common Shares was determined by negotiation between us and the Underwriters. The Underwriting Agreement provides that we will pay to the Underwriters, in consideration for their services in connection with this Offering, a fee of $0.66 per Common Share. The expenses of this Offering, excluding the fee payable to the Underwriters, are estimated to be approximately $2 million.

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

Subscriptions for our Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

We have granted the Underwriters an option (the "Over-Allotment Option"), exercisable for a period of 30 days from the date of the closing of this Offering to purchase up to an aggregate of 900,000 additional Common Shares, at a price $11.00 per share, payable in cash against delivery of additional shares, and representing up to approximately 10% of the Common Shares issued pursuant to this Offering. The Over-Allotment Option is exercisable in whole or in part only for the purpose of covering over-allotments, if any, made by the Underwriters in connection with this Offering and for market stabilization purposes. This prospectus qualifies the grant of the Over-Allotment Option and also the Common Shares issuable upon its exercise. The Underwriters will receive a fee of $0.66 per additional Common Share purchased pursuant to the Over-Allotment Option.

During the period ending on the 180th day after the closing of this Offering, the Company will not, and will cause its subsidiaries not to, without the prior written consent of CIBC World Markets Inc., on behalf of the Underwriters, which consent will not be unreasonably withheld, offer, issue, authorize the offering or issuance of or agree to issue or offer any shares in its capital or securities convertible into, or exchangeable for, shares in its capital, except for the issue of Shares, stock options or other rights pursuant to the Company's option plan or in connection with any arm's length acquisition undertaken by the Company.

Our Common Shares have not been and will not be registered under the *United States Securities Act of 1933* (the "1933 Act") or any state securities laws. The Underwriting Agreement, however, permits the Underwriters to reoffer and resell Common Shares purchased by them pursuant to that agreement to certain persons in the United States, provided that reoffers and resales are made only in accordance with Rule 144A under the 1933 Act or in a private placement transaction to certain accredited investors as defined in Rule 501(a) under the 1933 Act. All sales of our Common Shares in the United States will be made by U.S. registered broker/dealers. The Underwriting Agreement provides further that the Underwriters will not take any action that would make the safe harbour provided under Regulation S of the United States federal securities laws unavailable in connection with the offering and sale of our Common Shares. Regulation S provides an exemption from the registration requirements of United States federal securities laws in connection with the initial offer and sale of such shares.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution, bid for or purchase our Common Shares. 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, our Common Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules relating to market stabilization and passive market-making activities and bids or purchases made for and on behalf of a customer in which the order was not solicited during the period of distribution. Under the first exception, in connection with this Offering, the Underwriters may over-allot or effect transactions, which stabilize or maintain the market price of our Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

This is an offering of Common Shares. Holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company and, unless otherwise provided by legislation, are entitled to one vote per share on all matters to be voted on at all meetings of shareholders. Upon voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities.

Restrictions on Ownership and Transfer of Shares of the Company

Pursuant to rules established by certain self-regulatory organizations, stock exchanges and the Commission des valeurs mobiliéres du Québec ("CVMQ"), the ownership of shares of an investment dealer is subject to certain restrictions. To enable GMP Securities to comply with these requirements, the articles of the Company will contain certain provisions pursuant to which:

- The Company may require a proposed subscriber or transferee of shares to submit a declaration with respect to the holding of shares of the Company as beneficial owner and any other matter that the directors consider relevant to determine if the registration of the subscription or transfer would result in a violation of the articles or applicable legislative or regulatory requirements. The Company also may require a declaration at any time if proxies are solicited from shareholders at any meeting of shareholders or before such a meeting or when, in the opinion of the directors, the holding of shares by any person could violate the articles or applicable legislative or regulatory requirements.
- The Company will have the power to refuse to issue or record a transfer and to withdraw the voting rights of any share of any class if:
  - following the issue or recording of the transfer, the shareholder (along with his or her associates and affiliates) would beneficially own or control, directly or indirectly, a "significant equity interest" in the Company, unless notice and/or the required approvals from all relevant self-regulatory organizations, stock exchanges and the CVMQ have been obtained, or
  - the person requesting the issue or recording of the transfer refuses to sign and deliver a declaration with respect to his or her beneficial ownership of shares of the Company.

For these purposes, a "significant equity interest" will be defined to include:

(a) in respect of the applicable rules of the IDA and the TSX Venture Exchange Inc., the holding of (i) voting securities carrying 10% or more of the votes carried by all voting securities of the member or of a holding company of a member (ii) 10% or more of the outstanding participating securities of the member or of a holding company of a member; or (iii) an interest of 10% or more of the total equity in the member;

(b) in respect of the applicable rules of the Toronto Stock Exchange, the holding, directly or indirectly and alone or in combination with any other person, of securities: (i) carrying 20% or more of the votes carried by all voting securities; (ii) carrying the right to receive 20% or more of any distribution of earnings; and (iii) accounting for 20% or more of the total capital or equity of the issuing person;

(c) in respect of the applicable rules of the Bourse de Montreal Inc. (the "ME"), where a significant equity interest is referred to as a "Major Position", having the power to direct or cause the direction of the management or policies of a person whether through ownership of securities, by contract or otherwise. A person is considered to hold a Major Position in the capital of another person pursuant to the ME rules if such person, directly or indirectly: (i) has the right to vote 10% or more of the voting securities; or (ii) is entitled to receive 10% or more of the net profits of the person; and

(d) in respect of Policy Q-9 of the CVMQ, the direct or indirect ownership or holding of more than 10% of the voting rights attached to securities issued by an investment dealer or the person controlling it.

- The Company will be entitled to sell, as agent, (through a stock exchange designated by the directors of the Company or, in the absence of such a designation, by private contract or in any other manner) any number of shares of any class held by any person in violation of the articles, if the directors of the Company determine that the sale is necessary or advisable to ensure compliance with the articles and applicable legislative and regulatory requirements. The Company also will be entitled to effect such a sale if a person fails to reply to a request for a declaration, as outlined above. Any such sale will be subject to certain procedural requirements (which will be set out in the articles), including notice of the proposed sale.

These restrictions relating to the transfer and the issue of shares of the Company shall not apply in the case of an issue or a transfer in favour of an investment dealer or a holding company of an investment dealer so long as the transfer is effected in the ordinary course of the activities of its securities business.

The board of directors of the Company will have the power to establish the rules and procedures that it considers necessary and appropriate to implement these provisions.

DESCRIPTION OF CAPITAL AND INDEBTEDNESS

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series, of which one Common Share and no preferred shares are issued and outstanding as at the date hereof and 18,000,000 Common Shares will be issued pursuant to the Reorganization and outstanding immediately before this Offering. Immediately following the completion of this Offering, there will be 27,100,000 Common Shares issued and outstanding (28,000,000 if the Over-Allotment is exercised).

The preferred shares will be issuable from time to time in one or more series. The board of directors of the Company will be authorized to fix before each issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the shares of each series. The preferred shares of each series will rank on a parity with the preferred shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the preferred shares of the Company with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding up. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the preferred shares of all series will participate rateably in accordance with the amounts that would be payable on such shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital if all amounts so payable were paid in full, as the case may be.

Griffiths McBurney & Partners borrows money primarily to facilitate the securities settlement process for both client and partnership securities transactions. To this end, the firm has arranged various credit facilities with a Canadian chartered bank in an aggregate maximum amount of $160 million. These call loan, letter of credit and daylight overdraft facilities are collateralized by either unpaid securities and/or securities owned by Griffiths McBurney & Partners. Amounts drawn on these credit facilities will vary from day to day. As of November 25, 2003, approximately $1.2 million were drawn on these facilities. Other than these facilities, we currently have no material indebtedness. A subordinated loan facility provided to Griffiths McBurney & Partners by the same Canadian chartered bank (together with the credit facilities previously mentioned, the "Facilities") that, prior to this Offering, was drawn down in an amount of $5 million, will be repaid in full from the net proceeds of this Offering. See "Use of Proceeds".

ESCROW OF SECURITIES

Each of the former partners of Griffiths McBurney & Partners will, prior to the closing of this Offering, enter into an escrow agreement with us, CIBC World Markets Inc. (on behalf of the Underwriters) and CIBC Mellon Trust Company, acting as escrow trustee. Pursuant to that agreement, an aggregate of 18,000,000 of our Common Shares, representing 66.4% of our outstanding Common Shares after completion of this Offering, will be deposited with the escrow trustee. The Escrow Agreement will stipulate that the Common Shares deposited with the escrow trustee will be released on a *pro rata* basis as follows: 40% will be released on the first anniversary of the completion of this Offering, 30% will be released on the second anniversary of that date and the remaining 30% will be released on the third anniversary of that date, subject to early release in limited circumstances.

DIVIDEND POLICY

Our board of directors currently intends to declare dividends on our outstanding Common Shares of approximately 25% of the Company's net earnings in any year. Dividends are expected to be declared and paid quarterly. Whether to declare any such dividend and the amount of any such dividend will be determined by our board of directors, in its sole discretion, after considering general business conditions, our financial results and other factors it determines to be relevant at the time.

PRO FORMA CAPITALIZATION OF THE COMPANY

The following table sets out our consolidated capitalization as at July 31, 2003 (i) on an historical basis; (ii) on a *pro forma* basis after giving effect to the Reorganization; and (iii) on a *pro forma* basis as adjusted for the issuance of 9,100,000 Common Shares pursuant to this Offering (but does not give effect to the exercise of the Over-Allotment Option). This table should be read in conjunction with the audited consolidated financial statements of Griffiths McBurney & Partners and the unaudited *pro forma* consolidated financial statements of the Company, and the respective notes thereto, appearing elsewhere in this prospectus.

	Griffiths McBurney & Partners prior to the Reorganization (as at July 31, 2003)	Company after the Reorganization (as at July 31, 2003)	Company after the Reorganization as adjusted for this Offering (as at July 31, 2003)
		($ thousands)	
Subordinated debt			
Bank	5,000	5,000	—
Employees	2,728	—	—
Partners' capital account	52,162	—	—
Partners' current account	15,701	—	—
Common shares	—	54,890	101,984
Retained earnings	—	—	—
Total Capitalization	$75,591	$59,890	$101,984

LEGAL AND REGULATORY PROCEEDINGS

Between May 1995 and May 1998, we, together with various other Canadian investment dealers acted as underwriters for, provided research coverage of, and traded in securities of, YBM Magnex International Inc. ("YBM"). Trading in the shares of YBM was halted in May 1998 after the execution of a search warrant on the headquarters of YBM by members of U.S. law enforcement agencies. In the ensuing months, allegations were made to the effect that, among other things, YBM and certain of its shareholders had links to organized crime and the business of YBM was a front for money-laundering activities. Later in 1998, representatives of shareholders of YBM caused the board of directors of YBM to be changed and, in December 1998, a receiver was appointed in respect of YBM pursuant to an order of the Alberta Court of Queen's Bench. Through the receiver, YBM subsequently pleaded guilty in the United States to a multi-object conspiracy to defraud.

Four civil actions were initiated in respect of YBM in which we, together with other underwriters of the 1997 offering, the directors, the auditors of YBM and the Canadian counsel to YBM, were named as parties. The parties to these four actions and other proceedings relating to YBM agreed to a settlement of all of the related proceedings. Court approval of the settlement was granted on May 2, 2002. The settlement was implemented on July 19, 2002. As part of the settlement, class members have released us and all other defendants from all claims relating to YBM.

In addition, we were a respondent in a hearing before the Ontario Securities Commission (the "Commission") in respect of YBM in which staff of the Commission had asked that the Commission make orders against YBM, directors and an officer of YBM, counsel to YBM, National Bank Financial (the other co-lead underwriter) and us on the basis that the prospectus for an offering in 1997 did not contain full, true and plain disclosure of all material facts relating to the common shares of YBM being offered pursuant to the prospectus. The Commission determined that we should have taken certain additional steps in our capacity as co-lead underwriter and that a defence of due diligence was unavailable to us. Accordingly, on June 27, 2003, the Commission issued orders that required us to pay investigation and hearing costs in the amount of $400,000, which we have done, and undertake to have our practices and procedures as an underwriter reviewed by an independent person approved by staff of the Commission and institute any changes recommended by that person. Staff has approved the appointment of Borden Ladner Gervais LLP ("BLG") to undertake that review. BLG's mandate is to conduct an independent review of our underwriting practices and procedures and to recommend changes, if any, necessitated by such review to ensure that our underwriting practices and procedures are consistent with requirements prescribed by applicable securities laws, regulations, rules and policies in Canada and the applicable rules and standards of the Investment Dealers Association of Canada. This review is expected to be completed, and any recommendations of BLG resulting from its review are expected to be implemented, before the end of the year. The orders and the Commission's reasons can be found on the Commission's website at www.osc.gov.on.ca.

Certain legal proceedings have been commenced in the Court of Queen's Bench of Alberta and in the Ontario Superior Court against an underwriting syndicate led by us. The defendants in such proceedings also include Gauntlet Energy Corporation ("Gauntlet"), its officers and directors and a firm of reserve engineers. The claims seek damages and/or rescission for alleged prospectus misrepresentations in relation to an offering by Gauntlet of $25 million of flow-through common shares by prospectus dated November 28, 2002. The aggregate claims against the underwriters, including us, is approximately $15 million. These claims include claims by institutional purchasers of the flow-through shares offered by Gauntlet and by a putative class of purchasers.

We and the remaining underwriters have denied the allegations in the claims and have indicated an intention to defend all of the plaintiffs' claims. Gauntlet is currently operating under court protection pursuant to the *Companies' Creditor Arrangement Act*. By Order of the Alberta Court of Queen's Bench, a process requiring mediation of the plaintiffs' claims was established. The mediation occurred over three days commencing September 29, 2003. At the mediation, a tentative settlement of all claims was reached which included, as a term, no admission of liability on our part or on the part of the remaining defendants. Court approval of the settlement was received on November 24, 2003. The terms of the settlement are confidential; however, the settlement does not require us to make a payment that is material.

Except as noted above, we are not aware of any litigation outstanding, threatened or pending against us as of the date hereof that would be material to our financial condition or results of operations.

RISK FACTORS

An investment in our Common Shares involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be substantial and are inherent in our businesses. Prospective purchasers should carefully consider the following information about these risks, together with the other information in this prospectus, before buying our Common Shares.

Risks Associated with the Securities Business Generally

The securities business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets and in markets influenced by sustained periods of low or negative economic growth, including the risk of losses resulting from the underwriting or ownership of securities, trading, principal activities, counterparty failure to meet commitments, customer fraud, employee errors, misconduct and fraud (including unauthorized transactions by traders), the risk of failures in connection with the processing of securities transactions, the risk of litigation, the risk of reduced revenue in periods of reduced demand for public offerings or reduced activity in the secondary markets and the risk of reduced spreads on the trading of securities.

Reductions in public offering, mergers and acquisitions and securities trading activities, due to any one or more changes in economic, political or market conditions could cause our revenues from investment banking and sales and trading activities to decline materially. The amount and profitability of these activities are affected by many national and international factors, including economic, political and market conditions; level and volatility of interest rates; legislative and regulatory changes; currency values; inflation; inflows and outflows of funds into and out of mutual and pension funds; and availability of short-term and long-term funding and capital.

Our revenue may decrease in the event of a decline in market volume, prices or liquidity. Declines in the volume of securities transactions and in market liquidity generally result in lower revenue from trading activities and commissions. Lower price levels of securities may also result in a reduced volume of underwriting transactions and could cause a reduction in revenue from corporate finance activities as well as losses from declines in the market value of securities held in trading and investment and underwriting positions. Sudden sharp declines in market values of securities can result in illiquid markets and the failure of issuers and counterparties to perform their obligations as well as increases in claims and litigation. In such markets, we may incur reduced revenue or losses in our principal trading and market-making activities.

Recent financial scandals, particularly in the United States, have led to insecurity and uncertainty in the financial markets and contributed to declines in capital markets during 2002. In response to these scandals, securities regulators have made rules or rule proposals contemplating significant changes to corporate governance and public disclosure. To the extent that private companies, in order to avoid becoming subject to these new requirements, decide to forego initial public offerings, our equity underwriting business may be adversely affected. In addition, new corporate governance proposals, coupled with economic uncertainty, have diverted many companies' attention away from capital market transactions, including corporate finance and M&A activities. It is unclear how long this uncertainty and diversion will last, but so long as it does, it will have a negative impact on our business.

Risks of Underwriting Activities

Participation in underwritings involves both economic and regulatory risks. Underwriting activities can decline for a number of reasons. Underwriting activity may also decrease during periods of market uncertainty that arise by concerns over inflation, rising interest rates and related issues. Underwriting and sales and trading activity can also be materially adversely affected for a company or industry segment by disappointments in quarterly performance relative to analysts' expectations or by changes in long-term prospects.

An underwriter may incur losses if it is unable to resell the securities it is committed to purchase or if it is forced to liquidate its commitment at less than the agreed purchase price. In addition, the trend, for competitive and other reasons, toward larger commitments on the part of lead underwriters means that, from time to time, an underwriter (including a co-lead) may retain significant position concentrations in individual securities. Increased competition has eroded and is expected to continue to erode underwriting spreads.

Underwriting commitments require a charge against net capital, and, accordingly, our ability to make underwriting commitments may be limited by the requirement that we must at all times be in compliance with the applicable net capital regulations. Historically, we have satisfied these needs from internally generated funds and loans from third parties. (See the notes to the audited consolidated financial statements of Griffiths McBurney & Partners and the unaudited *pro forma* consolidated financial statements of the Company appearing elsewhere in this prospectus for a discussion of our net capital.) While the proceeds of this Offering, at least in the short term, can be expected to fulfill in part our funding and capital needs, there can be no assurance that any, or sufficient, funding or regulatory capital will continue to be available to us in the future on terms that are acceptable to us.

Litigation and Potential Securities Laws Liability

Many aspects of our business involve substantial risks of liability. An underwriter is exposed to substantial liability under securities laws, other laws and court decisions, including decisions with respect to underwriters' liability and limitations on indemnification of underwriters by issuers. For example, a firm that acts as an underwriter may be held liable for misstatements or omissions of fact in a prospectus used in connection with the securities being offered or for statements made by its securities analysts or other personnel. In recent years, there has been an increasing incidence of litigation involving the securities industry, including class actions that seek substantial damages. We are also subject to the risk of litigation, including litigation that may be without merit. As we intend to actively defend such litigation, significant legal expenses could be incurred. An adverse resolution of any future lawsuits against us could materially affect our operating results and financial condition.

Credit Risk and Exposure to Losses

We are exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. These parties include trading counterparties, customers, clearing agents, exchanges, clearing houses and other financial intermediaries as well as issuers whose securities are held by us. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons.

Although we regularly review our credit exposure to specific clients, counterparties, industries, countries and regions that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect, such as fraud. We may also fail to receive full information with respect to the trading risks of a counterparty.

Risk Management Policies and Procedures

We have developed and are updating risk management policies and procedures; however, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which may be significantly greater than the historical measures indicate.

Other risk management methods depend upon evaluation of information regarding markets, clients or other matters that is publicly available or otherwise accessible by us. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective.

Risks of Reduced Revenues Due to Focus on Relatively Few Industries

As a result of our dependence on revenues related to securities issued by companies in specific industry sectors, any downturn in the market for the securities of companies in these industries, or factors affecting such companies, could adversely affect our operating results and financial condition. Securities offerings can vary significantly from industry to industry due to economic, legislative, regulatory and political factors. Underwriting activities in a particular industry can decline for a number of reasons. Underwriting and sales and trading activity can also be materially adversely affected for a company or industry segment by disappointments in quarterly performance relative to analysts' expectations, or by changes in long-term prospects, for particular companies, industries or industry segments.

Our business is particularly dependent on the market for equity offerings by companies in the following industries: oil and gas, technology, communications, mining, non-bank financial services and industrials and special situations. These industry sectors have historically experienced significant volatility not only in the number and size of equity offerings, but also in the after-market trading volume and prices of newly issued securities.

The six industries that we focus on account for the majority of our investment banking and research activities, exposing us to potential downturns in these industries. We also derive a significant portion of our revenue from institutional brokerage transactions related to the securities of companies in these sectors. In the past, revenue from such institutional brokerage transactions have declined when underwriting activities in these industry sectors declined, the volume of trading on the Toronto Stock Exchange declined, or industry sectors or individual companies reported results below investors' expectations.

Significant Fluctuations in Quarterly Results

Our revenue and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including the number of corporate finance and M&A transactions completed by our clients, access to public markets for companies in which we have invested as a principal, the valuations of our principal investments, the level of institutional brokerage transactions, the timing of recording of special allocations of income, variations in expenditures for personnel, litigation expenses and expenses of establishing new business units. Our revenue from a corporate finance transaction or an M&A transaction are recorded only when retainer fees are received or the transaction closes. Accordingly, the timing of our recognition of revenue from a significant transaction can materially affect our quarterly operating results. Our cost structure currently is oriented to meet the current level of demand for investment banking transactions. As a result, despite the variability of incentive compensation, we could experience losses if demand for these transactions declines more quickly than our ability to change our cost structure. Due to the foregoing and other factors, there can be no assurance that we will be able to sustain profitability on a quarterly or annual basis.

Dependence on Ability to Retain and Recruit Personnel

Our business is dependent on the highly skilled, and often highly specialized, individuals we employ. Retention of research, investment banking, sales and trading, and management and administrative professionals is particularly important to our prospects. Our strategy is to establish relationships with our prospective clients in advance of any transaction, and to maintain such relationships over the long term by providing investment banking and sales and trading services. Such relationships depend in part upon the individual employees who represent us in dealings with such clients. A significant portion of GMP's revenue is derived from the client relationships of members of the Executive Committee. From time to time, other companies in the securities industry have experienced losses of research, investment banking and sales and trading professionals. The level of competition for key personnel has increased recently, particularly due to the market entry efforts of certain non-brokerage financial services companies, commercial banks and other investment banks targeting or increasing their efforts in some of the same industries that we serve. While we have historically experienced little turnover in professional employees, there can be no assurance that losses of key personnel due to such competition or otherwise will not occur in the future. The loss of an investment banking, sales and trading or research professional, particularly any member of the Executive Committee or other senior professional with a broad range of contacts in an industry, could materially and adversely affect our operating results.

We expect further growth in the number of our personnel. Competition for employees with the qualifications we desire is intense, especially with respect to investment banking and research professionals with expertise in industries in which corporate finance or advisory activity is robust. Competition for the recruiting and retention of employees has recently increased our compensation costs, and we expect that continuing competition will cause our compensation costs to continue to increase. There can be no assurance that we will be able to recruit a sufficient number of new employees with the desired qualifications in a timely manner. The failure to recruit new employees could materially and adversely affect our future operating results.

Except for the employment agreement with our Chief Executive Officer, we generally do not have employment agreements with our employees. We attempt to retain our employees with performance-based incentives. These incentives, however, may be insufficient in light of the increasing competition for experienced professionals in the securities industry, particularly if the value of our Common Shares declines or fails to appreciate sufficiently to be a competitive source of a portion of professional compensation.

In the past, Griffiths McBurney & Partners has issued partnership units to certain partners subject to an agreement among the partners that required, among other things, that departing partners sell their partnership units back to Griffiths McBurney & Partners at book value. In connection with the Reorganization, that partnership agreement will be terminated. Consequently, employee shareholders will no longer be required to sell their partnership units at book value upon leaving employment and, subject to the escrow agreement described under "Escrow of Securities", will be able to sell their Common Shares in the public market. This change could result in a higher level of attrition of senior employees than we have historically experienced.

Significant Competition

We are engaged in the highly competitive securities brokerage and financial services businesses. We compete directly with large Canadian and United States securities firms, securities subsidiaries of major chartered banks, major regional firms and smaller niche players. Our industry focus also subjects us to direct competition from a number of specialty securities firms and smaller investment banking firms that specialize in providing services to those industry sectors. Such competition could adversely affect our operating results, as well as our ability to attract and retain highly skilled individuals.

Many other companies have greater personnel and financial resources than we do. Larger competitors are able to advertise their products and services on a national or regional basis and may have a greater number and variety of distribution outlets for their products, including retail distribution. Discount brokerage firms market their services through aggressive pricing and promotional efforts. In addition, some competitors have a much longer history of investment banking activities than us and, therefore, may possess a relative advantage with regard to access to deal flow and capital.

Regulation

The securities business is subject to extensive regulation under securities laws in Canada, the United States and elsewhere. Compliance with many of the regulations applicable to us involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. In the event of non-compliance with an applicable regulation, securities regulators and the IDA may institute administrative or judicial proceedings that may result in censure, fine, civil penalties, issuance of cease-and-desist orders, deregistration or suspension of the non-compliant investment dealer or investment adviser, suspension or disqualification of the investment dealer's officers or employees, or other adverse consequences. The imposition of any such penalties or orders on us could have a material adverse effect on our operating results and financial condition.

The regulatory environment in which we operate is subject to change. Currently, investment dealers are the subject of increased regulatory scrutiny that has led, for example, to increased sensitivity to the interaction between research analysts and investment banking departments of investment dealers; as a consequence, regulators have changed or proposed to change requirements with respect to research matters. We may be adversely affected as a result of new or revised legislation or regulations imposed by the securities legislation of Canada or the United States.

The current environment of increased scrutiny may reasonably be expected to lead to increasingly stringent interpretation and enforcement of existing laws and rules. Once again, we may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by securities regulatory authorities in Canada and the United States.

Additional regulation, changes in existing laws and rules, or changes in interpretations or enforcement of existing laws and rules often affect directly the method of operation and profitability of securities firms. We cannot predict what effect any such changes might have. Furthermore, our businesses may be materially affected not only by regulations applicable to us as a financial market intermediary, but also by regulations of general application. For example, the volume of our investment banking and principal investment businesses in a given time period could be affected by, among other things, existing and proposed tax legislation, competition policy and other governmental regulations and policies, including the interest rate policies of the Bank of Canada or the Board of Governors of the Federal Reserve System and changes in interpretation or enforcement of existing laws and rules that affect the business and financial communities. The level of business and financing activity in each of the industries on which we focus can be affected not only by such legislation or regulations of general applicability, but also by industry-specific legislation or regulations.

Restrictions on Ownership and Transfers

The articles of the Company will provide for certain restrictions on the ownership of the Common Shares as contemplated by applicable regulatory requirements. These restrictions could affect the marketability of the Common Shares.

Management of Growth

Over the past several years, we have experienced significant growth in our business activities and the number of our employees. This growth has required and will continue to require increased investment in management personnel, financial and management systems and controls, and facilities, which, in the absence of continued revenue growth, would cause our operating margins to decline from current levels. In addition, as is common in the securities industry, we are and will continue to be highly dependent on the effective and reliable operation of our communications and information systems. We believe that our current and anticipated future growth will require implementation of new and enhanced communications and information systems and training of our personnel to operate such systems. Any difficulty or significant delay in the implementation or operation of existing or new systems or the training of personnel could adversely affect our ability to manage growth.

Dependence on Systems

Our business is highly dependent on communications and information systems. Any failure or interruption of our systems, or of the systems of our clearing broker, could cause delays or other problems in our sales and trading activities, which could have a material adverse effect on our operating results. There can be no assurance that neither we, nor our clearing broker, will suffer any such systems failure or interruption, including those caused by an earthquake, fire, other natural disaster, power or telecommunications failure, act of God, act of war or terror or otherwise, or that our back-up procedures and capabilities in the event of any such failure or interruption will be adequate.

We Will Be Controlled by Our Managing Directors Whose Interests May Differ from Those of Other Shareholders

Upon completion of this Offering, our managing directors will collectively own not less than 18,000,000 of our Common Shares, or 66.4% of the total Common Shares outstanding. As a result, our managing directors initially will be able to elect our entire board of directors, control our management and policies and, in general, determine, without the consent of the other shareholders, the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets.

In considering any claim for indemnification to be submitted to or received from the Partnership and/or any managing director's personal holding company under or in connection with the transfer and exchange agreements entered into pursuant to the Reorganization, our managing directors may also be conflicted. In recognition of that potential conflict of interest, under the transfer and exchange agreements, any action or decision to be taken by the Company or GMP Securities in relation to the indemnities provided to or by the Partnership and/or each partner's personal holding company under or in connection with such agreements will require the approval of a majority of the independent directors of the Company.

The managing directors initially will be able to prevent or cause a change in control of the Company.

Absence of Prior Market for Common Shares and Fluctuations of Market Price

Prior to this Offering, there has been no public market for our Common Shares, and there can be no assurance that an active public market will develop or, if developed, will be sustained following this Offering. The initial public offering price of our Common Shares has been determined through negotiation between us and the Underwriters, based upon several factors. Certain factors, such as sales of our Common Shares into the market by existing shareholders, fluctuations in our operating results or those of our competitors, market conditions for similar securities, and market conditions generally for other companies in the investment banking industry or in the industries that we focus on could cause the market price of our Common Shares to fluctuate substantially. In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance of such companies. Accordingly, the market price of our Common Shares may decline even if our operating results or prospects have not changed.

Shares Eligible for Future Sale

Sales of a substantial number of our Common Shares in the public market, whether by purchasers in this Offering or other shareholders, could adversely affect the prevailing market price of our Common Shares, and could impair our future ability to raise capital through an offering of our equity securities. There will be 27,100,000 Common Shares outstanding immediately after completion of this Offering, of which 9,100,000 will be freely tradable in the public markets. All of our Common Shares outstanding immediately prior to this Offering will be subject to escrow restrictions, unless released by all of the Underwriters. See "Escrow of Securities".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed under "The Reorganization", "Executive Compensation — Employment Agreements" or otherwise in this prospectus, Griffiths McBurney & Partners and its subsidiaries have not completed a material transaction within three years prior to the date of this prospectus in which any of the Company's proposed directors, executive officers or principal shareholders, or any of their respective associates or affiliates, had any material interest, direct or indirect.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN OF THE UNDERWRITERS

In connection with this Offering, we may be considered a "related issuer" and "connected issuer" of Griffiths McBurney & Partners under applicable securities laws. Prior to giving effect to the Reorganization and this Offering, Griffiths McBurney & Partners carries on the business of GMP and the partners of Griffiths McBurney & Partners own all of the outstanding partnership interests of Griffiths McBurney & Partners. In connection with the Reorganization and this Offering, the business of Griffiths McBurney & Partners will be transferred to the Company and the partners of Griffiths McBurney & Partners will receive, in aggregate, approximately $45 million and approximately 18,000,000 of our Common Shares.

BMO Nesbitt Burns, one of the Underwriters, is an indirect majority-owned subsidiary of a Canadian chartered bank that has made the Facilities available to us. Accordingly, in connection with this Offering, we may be considered to be a "connected issuer" of BMO Nesbitt Burns Inc. under applicable securities laws. As of November 25, 2003, the amount outstanding to this chartered bank under the Facilities was approximately $6.2 million. As at the date of this prospectus, we are in compliance with the terms and conditions of the Facilities. We will use a portion of the net proceeds we receive in connection with this Offering to repay the subordinated loan facility provided by this chartered bank.

The decision to undertake this Offering, including the terms, structuring and pricing of this Offering, were determined by negotiation between us and the Underwriters, with CIBC World Markets Inc. taking a lead role in such negotiations and Griffiths McBurney & Partners not playing an active role in its capacity as an underwriter. The chartered bank referred to above did not play any role in those determinations or decisions. CIBC World Markets Inc. has acted as an "independent underwriter" for the purposes of applicable securities laws in connection with this Offering and has actively participated in the structuring and pricing of this Offering and led the related due diligence activities performed by the Underwriters.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, our counsel, and Torys LLP, counsel to the Underwriters, based on the legislation in effect at the date of this prospectus and subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations under those statutes) and, in certain cases, subject to the satisfaction of additional requirements relating to investment policies, standards, procedures and goals and, where applicable, without resort to the so-called "basket" provisions, the purchase of our Common Shares pursuant to this Offering will not, at the date of closing, be precluded as investments under the following statutes:

Insurance Companies Act (Canada);
Trust and Loan Companies Act (Canada);
Cooperative Credit Associations Act (Canada);
Pension Benefits Standards Act, 1985 (Canada);
Loan and Trust Corporations Act (Alberta);
Insurance Act (Alberta);
Employment Pension Plans Act (Alberta);
Alberta Heritage Savings Trust Fund Act (Alberta);
Pension Benefits Standards Act (British Columbia);
Financial Institutions Act (British Columbia);
The Insurance Act (Manitoba);
The Trustee Act (Manitoba);
The Pension Benefits Act (Manitoba);
Pension Benefits Act (Nova Scotia);
Trustee Act (Nova Scotia);
Pension Benefits Act (Ontario);
The Trustee Act (Ontario);
Loan and Trust Corporations Act (Ontario);
an Act respecting insurance (Québec) (for an insurer, as defined therein, incorporated under the laws of the province of Québec, other than a guarantee fund corporation, an insurance fund or a mutual association);
an Act respecting trust companies and savings companies (Québec) (for a trust company, as defined therein, investing its own funds and deposits it receives and a savings company, as defined therein, investing its funds);
Supplemental Pension Plan Act (Québec); and
The Pension Benefits Act, 1992 (Saskatchewan).

In the opinion of Goodmans LLP and Torys LLP, our Common Shares will, if, as and when the shares are listed, be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan under the *Income Tax Act* (Canada) and the regulations under that Act and, based upon information provided by us at the date of closing, our Common Shares will not be "foreign property" for the purposes of Part XI of that Act.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Our auditors are KPMG LLP, Toronto, Ontario. For the years ended January 31, 2001 and 2000, our auditors were Ernst & Young LLP, Toronto, Ontario.

The transfer agent and the registrar for our Common Shares is CIBC Mellon Trust Company at its principal offices located at Toronto.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by us during the two years preceding the date hereof, or to be entered into by us on or before the closing of this Offering, are as follows:

1. The Underwriting Agreement referred to under "Plan of Distribution";
2. The transfer and exchange agreements referred to under "The Reorganization"; and
3. The Escrow Agreement referred to under "Escrow of Securities".

Copies of these agreements may be examined at our head office during normal business hours during the course of distribution of our Common Shares pursuant to this Offering and for a period of 30 days thereafter.

LEGAL MATTERS

The matters referred to under "Eligibility for Investment" and certain other legal matters relating to our Common Shares offered by this prospectus will be passed upon at the date of closing of this Offering on our behalf by Goodmans LLP and on behalf of the Underwriters by Torys LLP.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories 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 and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

INDEX TO FINANCIAL STATEMENTS

AUDITORS' CONSENT

To the Board of Directors of GMP Capital Corp.

We have read the prospectus dated November 26, 2003 relating to the sale and issue of common shares of GMP Capital Corp. (the "Company"), which will become the holding company of GMP Securities Ltd., formerly known as Griffiths McBurney & Partners (the "Partnership"). We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Partners of the Partnership on the consolidated balance sheets of the Partnership as at January 31, 2003 and 2002 and the consolidated statements of income, partners' capital and cash flows for each of the years in the two-year period ended January 31, 2003. Our report is dated March 21, 2003, except as to note 15, which is as at November 26, 2003.

We also consent to the use in the above-mentioned prospectus of our report to the Board of Directors of GMP Capital Corp. on the balance sheet of the Company as at October 20, 2003. Our report is dated October 21, 2003, except as to note 2, which is as at November 26, 2003.

Toronto, Canada
November 26, 2003

(Signed) KPMG LLP
Chartered Accountants

AUDITORS' CONSENT

To the Board of Directors of GMP Capital Corp.

We have read the prospectus of GMP Capital Corp. (the "Company") dated November 26, 2003 relating to the issue and sale of common shares of the Company. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Partners of Griffiths McBurney & Partners on the consolidated statements of income, partners' equity and cash flows for the years ended January 31, 2001 and 2000. Our report is dated March 9, 2001.

Toronto, Canada	(Signed) ERNST & YOUNG LLP
November 26, 2003	Chartered Accountants

BALANCE SHEET OF

GMP CAPITAL CORP.

October 20, 2003

AUDITORS' REPORT

To the Board of Directors of GMP Capital Corp.

We have audited the balance sheet of GMP Capital Corp. as at October 20, 2003. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

In our opinion, the balance sheet presents fairly, in all material respects, the financial position of the Company as at October 20, 2003 in accordance with Canadian generally accepted accounting principles.

(Signed) KPMG LLP
Chartered Accountants

Toronto, Canada
October 21, 2003, except
as to note 2 which is
as of November 26, 2003

GMP CAPITAL CORP.

BALANCE SHEET
October 20, 2003

Assets	
Cash	$1
Shareholders' Equity	
Share capital:	
Authorized:	
Unlimited preferred shares, issuable in series	
Unlimited common shares	
Issued and outstanding:	
1 common share	$1

On behalf of the Board:

(Signed) KEVIN S. SULLIVAN
Director

(Signed) THOMAS A. BUDD
Director

See accompanying notes to balance sheet.

GMP CAPITAL CORP.

NOTES TO BALANCE SHEET
October 20, 2003

GMP Capital Corp. (the "Company") was incorporated under the Canada Business Corporations Act on October 20, 2003. The Company is incorporated to acquire, through an exchange of shares, all of the shares of GMP Securities Ltd.

1. BASIS OF PRESENTATION:

The balance sheet has been prepared in accordance with Canadian generally accepted accounting principles and has been prepared solely in connection with the filing of the prospectus of the Company in order to present the financial position of the Company prior to the reorganization and the acquisition through GMP Securities Ltd. pursuant to a Transfer Agreement of all of the assets of Griffiths McBurney & Partners in consideration for the issuance of shares and the assumption of the liabilities of Griffiths McBurney & Partners.

Users should also read the consolidated financial statements of Griffiths McBurney & Partners presented elsewhere in the prospectus.

2. SUBSEQUENT EVENTS:

(a) Pursuant to a Share Exchange Agreement to be entered into by the shareholders of GMP Securities Ltd. and the Company and subject to the completion of the initial public offering of the Company, the shareholders of GMP Securities Ltd. will exchange their shares of GMP Securities Ltd. for shares of the Company. Accordingly, GMP Securities Ltd. will become a wholly-owned subsidiary of the Company.

(b) On November 25, 2003, the Company adopted an option plan to provide incentives to the directors, officers, employees and service providers of, or retained by, the Company and/or any of its subsidiaries. The options will be granted at a price that is not less than the market price of the Company's Common Shares at the time of the grant. The options vest annually over a four-year period and may be exercised during a period not to exceed ten years from the date of grant. Subject to regulatory approval and completion of the initial public offering of the Company and the exchange of shares of GMP Securities Ltd. for shares of the Company pursuant to the Share Exchange Agreement to be entered into by the shareholders of GMP Securities Ltd. and the Company, the Company granted 1,436,000 options at an exercise price of $11.00, which expire on November 25, 2013.

(c) On November 26, 2003, the Company filed a prospectus in each of the provinces and territories of Canada in respect of the issuance of 9,100,000 common shares for gross proceeds of $100,100,000. GMP Capital Corp. has agreed to grant the underwriters an over-allotment option to purchase up to 900,000 additional common shares exercisable for a period of 30 days from the date of closing of the offering for additional gross proceeds of $9,900,000.

CONSOLIDATED FINANCIAL STATEMENTS OF

GRIFFITHS McBURNEY & PARTNERS

Years ended January 31, 2003 and 2002

AUDITORS' REPORT

To the Partners of Griffiths McBurney & Partners

We have audited the consolidated balance sheets of Griffiths McBurney & Partners as at January 31, 2003 and 2002 and the consolidated statements of income, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as at January 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements for the years ended January 31, 2001 and 2000 were audited by other auditors who expressed an opinion without reservation on those statements in their report dated March 9, 2001.

(Signed) KPMG LLP
Chartered Accountants

Toronto, Canada
March 21, 2003, except
as to note 15 which is
as of November 26, 2003

AUDITORS' REPORT

To the Partners of Griffiths McBurney & Partners

We have audited the consolidated statements of income, partners' equity and cash flows of Griffiths McBurney & Partners for the years ended January 31, 2001 and 2000. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the results of the Partnership's operations and its cash flows for the years ended January 31, 2001 and 2000 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 9, 2001

(Signed) ERNST & YOUNG LLP
Chartered Accountants

GRIFFITHS McBURNEY & PARTNERS

CONSOLIDATED BALANCE SHEETS

	July 31, 2003	January 31, 2003	January 31, 2002
	(Unaudited)		
ASSETS			
Current assets:			
Cash and cash equivalents (note 3)	$ 28,140,289	$ 35,120,378	$ 16,641,694
Securities owned, at market (note 4)	49,658,016	51,725,480	71,698,711
Receivable from:			
Clients (notes 5 and 11)	150,373,462	133,016,991	189,005,562
Brokers (note 10)	37,922,159	33,780,964	52,270,687
Commission and other receivables (note 11)	4,198,362	2,950,577	3,710,133
	270,292,288	256,594,390	333,326,787
Long-term investment, net	50,000	50,000	99,995
Capital assets, net (note 6)	1,458,122	1,649,752	2,007,276
Exchange shares (note 7)	55,000	55,000	90,600
	$271,855,410	$258,349,142	$335,524,658
LIABILITIES AND CAPITAL IN THE BUSINESS			
Current liabilities:			
Bank loan and overdraft (note 8)	$ 4,214,400	$ 719,944	$ 287,393
Securities sold short, at market (note 4)	20,528,289	12,151,391	8,329,004
Payable to:			
Clients (notes 5 and 11)	124,446,395	136,893,621	167,050,980
Brokers (note 10)	21,167,304	19,631,444	49,996,905
Issuers	18,899,400	11,331,000	32,500,000
Accounts payable and accrued liabilities	6,816,432	6,480,755	13,622,406
	196,072,220	187,208,155	271,786,688
Non-controlling interest	192,087	231,674	196,102
Capital in the business:			
Bank subordinated loan (note 9(a))	5,000,000	5,000,000	5,000,000
Subordinated loans (note 9(b))	2,728,000	2,310,000	2,970,957
Partners' equity	67,863,103	63,599,313	55,570,911
	75,591,103	70,909,313	63,541,868
Commitments and contingent liabilities (note 12)			
Subsequent Events (note 15)			
	$271,855,410	$258,349,142	$335,524,658

On behalf of the Partners:

(Signed) KEVIN M. SULLIVAN
Chief Executive Officer

(Signed) ADINA MASSON-CROCKER
Chief Financial Officer

See accompanying notes to consolidated financial statements.

GRIFFITHS McBURNEY & PARTNERS

CONSOLIDATED STATEMENTS OF INCOME

	Six months ended July 31,		Years ended January 31,			
	2003	2002	2003	2002	2001	2000
	(Unaudited)					
Revenue:						
Investment banking	$29,790,969	$30,424,652	$52,782,065	$54,065,735	$67,491,616	$48,816,676
Sales and trading	18,588,317	16,128,060	38,677,932	35,069,308	48,845,690	37,584,035
Principal activities	1,360,122	(57,468)	(1,888,795)	3,944,849	5,386,096	7,285,237
Interest and dividends	1,478,174	1,569,606	2,632,847	3,913,317	5,316,363	3,055,348
Other (note 7)	(281,853)	289,922	4,127,847	1,117,311	297,953	946,030
	50,935,729	48,354,772	96,331,896	98,110,520	127,337,718	97,687,326
Expenses:						
Salaries and benefits	7,839,873	7,350,076	15,418,822	17,856,107	22,329,625	14,066,305
Selling, general and administrative	7,851,896	7,877,118	16,143,524	15,726,778	19,430,100	15,716,583
Interest	203,181	335,277	584,853	871,241	2,004,743	524,984
Amortization	233,669	240,795	525,235	573,719	639,388	677,330
	16,128,619	15,803,266	32,672,434	35,027,845	44,403,856	30,985,202
Income before the undernoted	34,807,110	32,551,506	63,659,462	63,082,675	82,933,862	66,702,124
Settlement and costs (note 12(b))	(442,734)	(880,337)	(1,935,320)	(8,158,697)	(1,672,041)	—
Non-controlling interest, net	39,587	(82,287)	(106,192)	(62,638)	(260,801)	(191,664)
Income before income taxes	34,403,963	31,588,882	61,617,950	54,861,340	81,001,020	66,510,460
Income taxes of subsidiaries	10,969	89,797	90,857	541,765	587,835	95,829
Net income	$34,392,994	$31,499,085	$61,527,093	$54,319,575	$80,413,185	$66,414,631

See accompanying notes to consolidated financial statements.

GRIFFITHS McBURNEY & PARTNERS

CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY

	Six months ended July 31,		Years ended January 31,			
	2003	2002	2003	2002	2001	2000
	(Unaudited)					
Partners' equity, beginning of period	$63,599,313	$55,570,911	$55,570,911	$67,215,206	$61,352,620	$59,966,959
Capital contributions (distributions), net	523,012	961,759	187,631	(2,408,641)	8,535,000	(1,926,460)
Net income	34,392,994	31,499,085	61,527,093	54,319,575	80,413,185	66,414,631
Partners' drawings	(30,652,216)	(24,660,839)	(53,686,322)	(63,555,229)	(83,085,599)	(63,102,510)
Partners' equity, end of period	$67,863,103	$63,370,916	$63,599,313	$55,570,911	$67,215,206	$61,352,620
Represented by:						
Partners' capital account	$52,162,000	$52,413,117	$51,638,988	$51,451,358	$53,860,000	$45,325,000
Partners' current account	15,701,103	10,957,799	11,960,325	4,119,553	13,355,206	16,027,620
	$67,863,103	$63,370,916	$63,599,313	$55,570,911	$67,215,206	$61,352,620

See accompanying notes to consolidated financial statements.

GRIFFITHS McBURNEY & PARTNERS

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended July 31,		Years ended January 31,			
	2003	2002	2003	2002	2001	2000
	(Unaudited)					
Cash provided by (used in):						
Operating activities:						
Net income	$34,392,994	$31,499,085	$61,527,093	$54,319,575	$80,413,185	$ 66,414,631
Items not involving cash:						
Gain on sale of exchange shares	—	—	(4,275,782)	(685,359)	—	—
Amortization	233,669	240,795	525,235	573,719	639,388	677,330
Provision for diminution in value of long-term investment	—	50,000	49,995	—	—	—
	34,626,663	31,789,880	57,826,541	54,207,935	81,052,573	67,091,961
Change in non-cash operating working capital:						
Securities owned and sold short	10,444,362	42,803,734	23,795,618	(11,469,837)	(16,740,749)	(12,885,092)
Due to/from clients	(29,803,697)	45,167,127	25,831,212	(27,488,934)	96,422,504	(104,471,542)
Due to/from brokers	(2,605,335)	(41,367,464)	(11,875,738)	11,956,798	(23,096,592)	36,407,459
Due to issuers	7,568,400	(26,597,812)	(21,169,000)	32,500,000	(50,137,500)	50,137,500
Other	(912,108)	(5,163,735)	(6,382,095)	8,918,830	(4,096,229)	4,096,195
Non-controlling interest	(39,587)	11,667	35,572	(196,032)	143,292	191,664
	19,278,698	46,643,397	68,062,110	68,428,760	83,547,299	40,568,145
Financing activities:						
Increase (decrease) in bank loan and overdraft	3,494,456	(76,625)	432,551	(1,167,984)	(905,546)	1,907,489
Increase (decrease) in subordinated loans, net	418,000	26,543	(660,957)	(1,869,668)	6,040,625	945,000
Partners' capital contributions (distributions), net	523,012	961,759	187,631	(2,408,641)	8,535,000	(1,926,460)
Partners' drawings	(30,652,216)	(24,660,839)	(53,686,322)	(63,555,229)	(83,085,599)	(63,102,510)
	(26,216,748)	(23,749,162)	(53,727,097)	(69,001,522)	(69,415,520)	(62,176,481)
Investing activities:						
Purchase of capital assets	(42,039)	(79,394)	(167,711)	(354,574)	(962,940)	(411,963)
Proceeds from sale of exchange shares	—	—	4,311,382	763,359	279,870	—
Proceeds from sale of long-term investments	—	—	—	—	—	499,711
	(42,039)	(79,394)	4,143,671	408,785	(683,070)	87,748
Increase (decrease) in cash and cash equivalents	(6,980,089)	22,814,841	18,478,684	(163,977)	13,448,709	(21,520,588)
Cash and cash equivalents, beginning of period	35,120,378	16,641,694	16,641,694	16,805,671	3,356,962	24,877,550
Cash and cash equivalents, end of period	$28,140,289	$39,456,535	$35,120,378	$16,641,694	$16,805,671	$ 3,356,962
Supplemental cash flow information:						
Interest paid	$ 335,278	$ 203,182	$ 584,853	$ 871,243	$ 2,004,743	$ 524,984
Income taxes paid	92,728	308,132	262,978	576,260	118,657	169,177

See accompanying notes to consolidated financial statements.

Griffiths McBurney & Partners (the "Partnership") was formed and commenced operations on February 15, 1995 under the laws of the Province of Ontario. The Partnership is owned by corporate partners (the "Corporate Partners") whose principals are active in the Partnership's business.

1. SIGNIFICANT ACCOUNTING POLICIES:

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as follows:

(a) *Basis of presentation:*

(i) Principles of consolidation:

These consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries, Griffiths McBurney & Partners Corp., Griffiths McBurney Holdings Inc., Griffiths McBurney & Partners (Guernsey) Limited, 3357163 Canada Inc. and Griffiths McBurney & Partners (Asia) Inc., and its 50.1% owned subsidiary, Griffiths McBurney & Partners (Europe) S.A. All significant intercompany accounts and transactions have been eliminated upon consolidation.

(ii) Income taxes:

These consolidated financial statements do not include all the assets, liabilities, revenue and expenses of the Corporate Partners. No provision for income taxes is required under Canadian generally accepted accounting principles for partnerships as the Corporate Partners are individually liable for taxes on income allocated to each Corporate Partner, except for income taxes of subsidiaries, which are recorded in the subsidiaries' accounts and thus reported in these consolidated financial statements.

(b) *Securities transactions:*

Securities transactions and related revenue are recorded on a trade date basis.

(c) *Cash and cash equivalents:*

Cash and cash equivalents consist of cash on deposit, short-term, interest-bearing treasury bills and bankers' acceptances with a term to maturity of less than three months from the date of purchase.

As at July 31, 2003, the bankers' acceptance has a yield of 3.15% (January 31, 2003 — 2.75%; 2002 — 2.02%). The treasury bill has a yield of 0.78% (January 31, 2003 — 1.10%; 2002 — 1.70%).

(d) *Securities owned and securities sold short:*

Securities owned and securities sold short are stated at market values at the consolidated balance sheet dates. Unrealized gains and losses are reflected in income. Certain securities owned have been pledged as collateral for securities lending and borrowing transactions.

(e) *Collateralized securities transactions:*

Securities borrowed and securities loaned are carried at the amounts of cash collateral advanced and received in connection with the transactions. Securities borrowed transactions require the Partnership to deposit cash, letters of credit, or other collateral with the lender. With respect to securities loaned, the Partnership receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of the securities loaned. The Partnership monitors the fair value of the securities borrowed and loaned against the cash collateral on a daily basis, and when appropriate, the Partnership may require counterparties to deposit additional collateral or it may return collateral pledged to ensure such transactions are adequately secured.

(f) *Capital assets:*

Capital assets are stated at cost less accumulated amortization.

Furniture, equipment, computer equipment and art are amortized over their estimated useful lives using the declining-balance method at rates from 20% to 50% per annum. Leasehold improvements are amortized over the term of the lease. Computer software is amortized over two years on a straight-line basis.

(g) *Long-term investment:*

Long-term investment comprises an investment in a venture capital limited partnership which is carried at cost, less provision for diminution in value, which is considered to be other than temporary.

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(h) *Investment banking revenue:*

Underwriting revenue and fees from mergers and acquisitions and other corporate finance advisory assignments are recorded when the underlying transaction is substantially completed under the terms of the engagement. Syndicate expenses related to securities offerings in which the Partnership acts as an underwriter or agent are deferred until the related revenue is recognized.

(i) *Sales and trading revenue:*

Sales and trading revenue consists of commissions revenue from customer security transactions and related facilitation trading gains and losses.

(j) *Principal activities:*

Principal activities relate to security trading revenue through market making in securities, proprietary trading of securities and net gains on principal investments.

(k) *Translation of foreign currency transactions and foreign subsidiaries:*

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the consolidated balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at historical rates. Revenue and expense items are translated at the exchange rates in effect at the dates of the transactions. Foreign exchange translation gains and losses are recorded in income in the year in which they occur.

The accounts of the foreign subsidiaries, Griffiths McBurney & Partners Corp., Griffiths McBurney & Partners (Europe) S.A. and Griffiths McBurney & Partners (Asia) Inc., are translated into Canadian dollars using current rates of exchange for monetary assets and liabilities, historical rates of exchange for non-monetary assets and liabilities and average rates for the year for revenue and expenses, except amortization which is translated at the rates of exchange applicable to the related assets. Gains or losses resulting from these translation adjustments are included in income for the period.

(l) *Derivative financial instruments:*

Derivative financial instruments are foreign currency exchange contracts entered into to offset exposure related to client trading in U.S. dollars. Realized and unrealized gains and losses related to the contracts are recognized in income during the period.

(m) *Fair values of financial assets and liabilities:*

The fair values of financial assets and liabilities, other than securities owned and sold short (note 4), subordinated loans (note 9), long-term investment and exchange shares (note 7), approximate their carrying amounts due to the short-term maturity of these financial instruments.

(n) *Use of estimates:*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. INCOME ALLOCATION:

The allocation of income among the Corporate Partners is based on their respective Partnership interests and contributions, as defined in the Partnership Agreement, unless otherwise agreed upon among the Corporate Partners.

3. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents includes funds deposited in trust for RRSP and other similar accounts of $5,773,813 (January 31, 2003 — $4,386,000; 2002 — $3,254,000) and the related liability is included in payable to clients.

4. SECURITIES OWNED AND SECURITIES SOLD SHORT:

	July 31, 2003		January 31, 2003		January 31, 2002	
	Securities owned	Securities sold short	Securities owned	Securities sold short	Securities owned	Securities sold short
	(Unaudited)					
Corporate debt	$ 99,425	$ 6,030	$ 524,574	$ —	$ 161,126	$ —
Equities and convertible debentures	49,558,591	20,522,259	51,200,906	12,151,391	71,537,585	8,329,004
	$49,658,016	$20,528,289	$51,725,480	$12,151,391	$71,698,711	$8,329,004

As at July 31, 2003, corporate debt maturities range from 2005 to 2030 (January 31, 2003 – 2005 to 2030; 2002 – 2005 to 2021) and bear interest ranging from 1% to 9.875% (January 31, 2003 — 1% to 12.125%; 2002 — 3% to 12%).

5. CLIENT ACCOUNTS:

Client security purchases are entered into on either a cash or margin basis. In the case of a margin account, the Partnership extends a loan to a client for the purchase of securities, using securities purchased and/or other securities in the client's account as collateral. Amounts loaned to any client are limited by margin regulations of the Investment Dealers Association of Canada ("IDA") and other regulatory authorities and are subject to the Partnership's credit review and daily monitoring procedures.

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the client accounts. Interest on margin loans and amounts due to clients is based on a floating rate.

6. CAPITAL ASSETS:

	July 31, 2003	January 31, 2003	January 31, 2002
	(Unaudited)		
Furniture and equipment	$2,030,285	$2,019,469	$1,975,797
Computer equipment	1,609,514	1,605,729	1,519,828
Computer software	282,163	264,466	189,484
Leasehold improvements	1,358,955	1,358,955	1,356,257
Art	206,994	206,994	206,994
	5,487,911	5,455,613	5,248,360
Less accumulated amortization	4,029,789	3,805,861	3,241,084
	$1,458,122	$1,649,752	$2,007,276

7. EXCHANGE SHARES:

Stock exchange shares are recorded at cost, which is below current market value.

As part of an initial public offering, the Partnership sold all of its shares in the Toronto Stock Exchange for proceeds of $4,311,382. The Partnership recognized a gain of $4,275,782 on this sale in the year ended January 31, 2003. In the year ended January 31, 2002, the Partnership sold its shares in Canadian Venture Exchange Inc. and recognized a gain of $685,359. Gains on sale of exchange shares are recorded as other revenue.

The Partnership owns 100,000 shares in the capital stock of the Bourse de Montréal Inc. The shares are held at cost. The Bourse de Montréal Inc. last purchased shares on April 11, 2001 at a price of $4.50 per share.

8. BANK LOAN AND OVERDRAFT:

The Partnership borrows money primarily to facilitate the securities settlement process for both client and Partnership securities transactions. These call loans are collateralized by either unpaid securities and/or securities owned by the Partnership. Included in bank loan and overdraft at July 31, 2003, are call loans of $4,214,400 (January 31, 2003 — $532,543; 2002 — nil), and overdrafts of nil

8. BANK LOAN AND OVERDRAFT: (Continued)

(January 31, 2003 — $187,401; 2002 — $287,393). Interest on the call loan is 3.40% per annum and for the overdrafts is based on a floating rate per annum.

9. SUBORDINATED LOANS:

Subordinated loans are unsecured and subordinated to the claims of general creditors of the Partnership. These have been issued pursuant to standard uniform subordinated agreements in the form required by the IDA. The subordinated loans are repayable on demand and the repayment of the subordinated loans is subject to the prior approval of the IDA. Subordinated loans are included in the Partnership's total regulatory capital, as defined by the IDA.

The fair value of subordinated loans has been omitted because it is not practical to determine fair value with sufficient reliability.

(a) *Bank subordinated loan:*

During 2001, the Partnership drew upon a subordinated loan facility from the Bank of Montreal. The loan facility bears interest at prime plus 1.5% and is repayable upon demand. As at July 31, 2003, the balance was $5,000,000 (January 31, 2003 — $5,000,000; 2002 — $5,000,000).

(b) *Non-partner subordinated loans:*

As at July 31, 2003, subordinated loans of $2,728,000 (January 31, 2003 — $2,310,000; 2002 — $2,970,957) are held by certain employees who have not received registration approval from the IDA to act as Corporate Partners. These loans are non-interest bearing.

10. FINANCIAL INSTRUMENTS:

(a) *Foreign exchange:*

Financial instruments are traded to manage and hedge market risk, minimize regulatory capital requirements, and to manage and hedge foreign exchange risk on pending settlements in foreign currencies.

The following table presents notional principal amounts of forward contracts:

	July 31, 2003		January 31, 2003		January 31, 2002	
	Canadian	U.S.	Canadian	U.S.	Canadian	U.S.
	(Unaudited)					
Foreign currency contracts:						
Forward contracts	$(678,330)	$500,000	$4,522,000	$(3,000,000)	$(10,815,000)	$6,800,000

(b) *Securities lending and borrowing:*

The Partnership employs securities lending and borrowing primarily to facilitate the securities settlement process. These arrangements are typically short-term in nature, with interest being received on the cash delivered. These transactions are fully collateralized and are subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. These transactions are collateralized by either cash or securities, including government treasury bills and government bonds and are reflected on the consolidated balance sheet as due to/from brokers. The Partnership manages its credit exposure by establishing and monitoring aggregate limits by customer for these transactions. Interest earned on cash collateral is based on a floating rate.

	Cash		Securities	
	Loaned or delivered as collateral	Borrowed or received as collateral	Borrowed or received as collateral	Loaned or delivered as collateral
July 31, 2003 (unaudited)	$31,010,206	$3,352,000	$31,003,070	$770,000
January 31, 2003	27,786,000	—	25,152,000	—
January 31, 2002	31,276,000	—	31,386,000	—

(c) *Letters of credit:*

In the normal course of business, the Partnership has pledged at a depository collateralized letters of credit issued by a Canadian chartered bank as at July 31, 2003 of $5,000,000 (January 31, 2003 — $5,000,000; 2002 — $7,000,000).

11. RELATED PARTY TRANSACTIONS:

Security trades executed by the Partnership for employees, officers and Corporate Partners are transacted in accordance with the terms and conditions applicable to all customers. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Partnership.

The following balances arose with related parties:

	July 31, 2003	January 31, 2003	January 31, 2002
	(Unaudited)		
Current assets:			
Receivable from clients	$46,603,154	$33,437,854	$21,511,854
Current liabilities:			
Payable to clients	34,836,663	34,024,559	29,016,901

Amounts receivable from and payable to clients result from transactions with partners in accordance with the terms and conditions applicable to all customers.

12. COMMITMENTS AND CONTINGENT LIABILITIES:

(a) The Partnership has entered into lease agreements for premises and equipment for periods to May 31, 2010.

Aggregate future minimum lease payments for the fiscal years ending January 31 are as follows:

2004	$ 929,137
2005	550,768
2006	487,891
2007	287,332
2008	100,337
Thereafter	230,202
	$2,585,667

The Partnership is also responsible for its share of operating costs and realty taxes related to these leases.

(b) In 2001, the Ontario Securities Commission ("OSC") commenced a proceeding on the basis that the YBM Magnex International, Inc. ("YBM") prospectus did not contain full, true and plain disclosure. Staff of the OSC in their submissions argued that, if there is a finding that the Partnership's conduct was contrary to the public interest, an appropriate remedy would be a suspension of underwriting privileges for a period of 6 to 12 months. It is the Partnership's position in this proceeding that the YBM prospectus did contain full, true and plain disclosure and, if not, the Partnership was not aware of any material facts omitted despite adequate due diligence. Final argument was completed on November 29, 2002. Final judgment was reserved and is unknown at this time.

Because of the nature of this proceeding, management is not able to predict its outcome and is unable to determine the impact, if any, on the Partnership (note 15(a)).

The Partnership is a party to claims and investigations relating to its involvement with the YBM prospectus. A settlement was accepted by all parties to settle all claims and has received court approval. The terms of the settlement are subject to confidentiality provisions. The Partnership accrued its portion of the settlement as at January 31, 2002, and subsequently paid its portion.

(c) The Partnership is involved with two other legal actions, the outcomes of which are not determinable. Costs, if any, related to these actions will be recorded in the year incurred.

13. SEGMENTED INFORMATION:

Management has determined that the Partnership operates in one dominant industry segment that involves brokerage services in Canada and the United States. Substantially all the Partnership's assets are located in Canada. Revenues by geographic locations are as follows:

	July 31,		January 31,			
	2003	**2002**	**2003**	**2002**	**2001**	**2000**
	(Unaudited)					
Canada	$45,925,776	$43,732,598	$87,237,899	$87,188,325	$115,190,563	$91,619,714
United States	5,009,953	4,622,174	9,093,997	10,922,195	12,147,155	6,067,612
Total revenue	$50,935,729	$48,354,772	$96,331,896	$98,110,520	$127,337,718	$97,687,326

14. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

15. SUBSEQUENT EVENTS:

(a) On June 27, 2003, the OSC issued its orders in connection with the YBM matter (note 12(b)). The Partnership was required to pay investigation and hearing costs of $400,000 and submit to an independent review of its practices and procedures as an underwriter.

(b) Pursuant to a Transfer Agreement to be entered into by the Partnership and GMP Securities Ltd. (the "Company") and subject to the completion of the initial public offering of GMP Capital Corp., the Partnership will reorganize and transfer its assets in consideration for common shares of, and the assumption of liabilities by, the Company. As a result of this reorganization, the business currently carried on by the Partnership will be carried on by the Company and it will become a wholly-owned subsidiary of GMP Capital Corp.

(c) On November 26, 2003, a prospectus was filed in each of the provinces and territories of Canada in respect of an initial public offering by GMP Capital Corp. of 9,100,000 of its common shares for $100,100,000.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF

GMP CAPITAL CORP.

Six-month periods ended July 31, 2003 and 2002
and year ended January 31, 2003
(Unaudited)

COMPILATION REPORT

To the Board of Directors of GMP Capital Corp.

We have read the accompanying unaudited *pro forma* balance sheet of GMP Capital Corp. as at July 31, 2003 and unaudited *pro forma* statements of income for each of the six-month periods ended July 31, 2003 and 2002 and for the year ended January 31, 2003, and have performed the following procedures:

1. Compared the figures in the columns captioned "Historical consolidated" to the unaudited financial statements of the Company as at July 31, 2003 and for each of the six-month periods ended July 31, 2003 and 2002 and the audited financial statements of the Company for the year ended January 31, 2003, respectively, and found them to be in agreement.

2. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:

   (a) the basis for determination of the *pro forma* adjustments; and

   (b) whether the *pro forma* financial statements comply as to form, in all material respects, with Canadian generally accepted accounting principles.

   The officials:

   (a) described to us the basis for determination of the *pro forma* adjustments; and

   (b) stated that the *pro forma* financial statements comply as to form, in all material respects, with Canadian generally accepted accounting principles.

3. Read the notes to the *pro forma* financial statements, and found them to be consistent with the basis described to us for determination of the *pro forma* adjustments.

4. Recalculated the application of the *pro forma* adjustments to the aggregate of the amounts in the columns captioned "Historical consolidated" as at July 31, 2003 and for each of the six-month periods ended July 31, 2003 and 2002 and for the year ended January 31, 2003, and found the amounts in the columns captioned "*Pro forma* consolidated" and "*Pro forma* consolidated as adjusted for offering" to be arithmetically correct.

A *pro forma* financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the *pro forma* adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the *pro forma* financial statements, and we, therefore, make no representation about the sufficiency of the procedures for the purposes of a reader of such financial statements.

Toronto, Canada	(Signed) KPMG LLP
November 26, 2003	Chartered Accountants

GMP CAPITAL CORP.

PRO FORMA CONSOLIDATED BALANCE SHEET

(In thousands of dollars)
July 31, 2003
(Unaudited)

	Historical consolidated	*Pro forma* adjustments (note 2)		*Pro forma* consolidated	Adjustments for offering (note 3)		*Pro forma* consolidated as adjusted for offering
ASSETS							
Cash and cash equivalents	$ 28,140	$(15,701)	(d)(e)	$ 12,439	$ 42,094	(a)	$ 54,433
Securities owned, at market	49,658	—		49,658	—		49,658
Receivable from clients and brokers	188,296	—		188,296	—		188,296
Other assets	4,198	—		4,198	—		4,198
Long-term assets	1,563	—		1,563	—		1,563
	$271,855	$(15,701)		$256,154	$ 42,094		$298,148
LIABILITIES AND SHAREHOLDERS' EQUITY							
Liabilities:							
Bank loan and overdraft	$ 4,214	$ —		$ 4,214	$ —		$ 4,214
Securities sold short, at market	20,528	—		20,528	—		20,528
Payable to clients and brokers	164,514	—		164,514	—		164,514
Other	6,816	—		6,816	—		6,816
	196,072	—		196,072	—		196,072
Non-controlling interest	192	—		192	—		192
Subordinated loans:							
Approved non-industry investors	5,000	—		5,000	(5,000)	(a)	—
Employees	2,728	(2,728)	(a)	—	—		—
Partners' equity	67,863	(52,162)	(a)	—	—		—
		(6,695)	(d)				
		(9,006)	(e)				
	271,855	(70,591)		201,264	(5,000)		196,264
Shareholders' equity:							
Common Shares:							
Issued		54,890		54,890	100,100	(a)	101,984
					(45,000)	(a)	
					(8,006)	(a)	
		54,890	(a)	54,890	47,094		101,984
	$271,855	$(15,701)		$256,154	$ 42,094		$298,248

See accompanying notes to pro forma consolidated financial statements.

GMP CAPITAL CORP.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME

(In thousands of dollars)
Six-month period ended July 31, 2003
(Unaudited)

	Historical consolidated	*Pro forma* adjustments (note 2)		*Pro forma* consolidated	Adjustments for offering	*Pro forma* consolidated as adjusted for offering
Revenue:						
Investment banking	$29,791	$ —		$ 29,791	$ —	$ 29,791
Sales and trading	18,588	—		18,588	—	18,588
Principal activities	1,360	—		1,360	—	1,360
Interest and dividends	1,478	—		1,478	—	1,478
Other	(281)	—		(281)	—	(281)
	50,936	—		50,936	—	50,936
Expenses:						
Salaries and benefits	7,840	(3,257)	(b)	4,583	—	4,583
Selling, general and administrative	7,852	—		7,852	—	7,852
Interest	203	—		203	—	203
Amortization	234	—		234	—	234
Incentive compensation	—	797	(b)			
		2,008	(b)			
		17,046	(b)	19,851	—	19,851
	16,129	16,594		32,723	—	32,723
Income before the undernoted	34,807	(16,594)		18,213	—	18,213
Income taxes	11	6,637	(c)	6,648	—	6,648
Settlements and costs, net	443	(162)	(c)	281	—	281
Non-controlling interest, net	(40)	—		(40)	—	(40)
Net income	$34,393	$(23,069)		$ 11,324	$ —	$ 11,324
Net income per share:						
Basic and fully diluted, post reorganization				$ 0.63		$ 0.42
Average shares outstanding:						
Basic and fully diluted, post reorganization				18,000,000		27,100,000

See accompanying notes to pro forma consolidated financial statements.

GMP CAPITAL CORP.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME

(In thousands of dollars)
Six-month period ended July 31, 2002
(Unaudited)

	Historical consolidated	*Pro forma* adjustments		*Pro forma* consolidated	Adjustments for offering	*Pro forma* consolidated as adjusted for offering
		(note 2)				
Revenue:						
Investment banking	$30,425	$ —		$ 30,425	$ —	$ 30,425
Sales and trading	16,128	—		16,128	—	16,128
Principal activities	(57)	—		(57)	—	(57)
Interest and dividends	1,570	—		1,570	—	1,570
Other	289	—		289	—	289
	48,355	—		48,355	—	48,355
Expenses:						
Salaries and benefits	7,350	(3,194)	(b)	4,156	—	4,156
Selling, general and administrative	7,877	—		7,877	—	7,877
Interest	335	—		335	—	335
Amortization	241	—		241	—	241
Incentive compensation	—	1,234	(b)			
		1,614	(b)			
		16,302	(b)	19,150	—	19,150
	15,803	15,956		31,759	—	31,759
Income before the undernoted	32,552	(15,956)		16,596	—	16,596
Income taxes	90	6,299	(c)	6,389	—	6,389
Settlements and costs, net	880	(339)	(c)	541	—	541
Non-controlling interest, net	82	—		82	—	82
Net income	$31,500	$(21,916)		$ 9,584	$ —	$ 9,584
Net income per share:						
Basic and fully diluted, post reorganization				$ 0.53		$ 0.35
Average shares outstanding:						
Basic and fully diluted, post reorganization				18,000,000		27,100,000

See accompanying notes to pro forma consolidated financial statements.

GMP CAPITAL CORP.

PRO FORMA CONSOLIDATED STATEMENT OF INCOME

(In thousands of dollars)
Year ended January 31, 2003
(Unaudited)

	Historical consolidated	*Pro forma* adjustments (note 2)		*Pro forma* consolidated	Adjustments for offering	*Pro forma* consolidated as adjusted for offering
Revenue:						
Investment banking	$52,782	$ —		$ 52,782	$ —	$ 52,782
Sales and trading	38,678	—		38,678	—	38,678
Principal activities	(1,889)	—		(1,889)	—	(1,889)
Interest and dividends	2,633	—		2,633	—	2,633
Other	4,128	—		4,128	—	4,128
	96,332	—		96,332	—	96,332
Expenses:						
Salaries and benefits	15,419	(7,070)	(b)	8,349	—	8,349
Selling, general and administrative	16,144	—		16,144	—	16,144
Interest	585	—		585	—	585
Amortization	525	—		525	—	525
Incentive compensation	—	1,756	(b)			
		3,958	(b)			
		30,227	(b)	35,941	—	35,941
	32,673	28,871		61,544	—	61,544
Income before the undernoted	63,659	(28,871)		34,788	—	34,788
Income taxes	91	13,302	(c)	13,393	—	13,393
Settlements and costs, net	1,935	(745)	(c)	1,190	—	1,190
Non-controlling interest, net	106	—		106	—	106
Net income	$61,527	$(41,428)		$ 20,099	$ —	$ 20,099
Net income per share:						
Basic and fully diluted, post reorganization				$ 1.12		$ 0.74
Average shares outstanding:						
Basic and fully diluted, post reorganization				18,000,000		27,100,000

See accompanying notes to pro forma consolidated financial statements.

GMP CAPITAL CORP.

NOTES TO *PRO FORMA* CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of dollars)
Six-month periods ended July 31, 2003 and 2002 and year ended January 31, 2003
(Unaudited)

1. BASIS OF PRESENTATION:

The accompanying unaudited *pro forma* consolidated financial statements give effect to the initial public offering by GMP Capital Corp. (the "Company") of 9,100,000 of its common shares (the "Common Shares") for gross proceeds of $100,100. The Company was incorporated under the Business Corporations Act (Canada) on October 20, 2003. The Company was incorporated to acquire, through its wholly owned subsidiary, GMP Securities Inc., the business currently carried on by Griffiths McBurney & Partners and its subsidiaries (the "Partnership"), which engages in investment banking, sales and trading and research activities.

The unaudited *pro forma* consolidated financial statements have been prepared by management of the Partnership in accordance with accounting principles generally accepted in Canada.

The unaudited *pro forma* consolidated balance sheet as at July 31, 2003 has been prepared from the unaudited consolidated balance sheet of the Partnership as at July 31, 2003 and as if the *pro forma* adjustments and the adjustments for offering had occurred on July 31, 2003. The unaudited *pro forma* consolidated statements of income for the six-month periods ended July 31, 2003 and 2002 and the year ended January 31, 2003 have been prepared from the consolidated statements of income of the Partnership for the unaudited six-month periods ended July 31, 2003 and 2002 and the year ended January 31, 2003, respectively, and as if the *pro forma* adjustments and the adjustments for the offering had occurred at the beginning of fiscal 2003.

These unaudited *pro forma* financial statements are not necessarily indicative either of the results that actually would have occurred if the events reflected herein had taken place on the dates indicated or of the results, which may be obtained in the future.

It is the recommendation of management that this financial information should be read in conjunction with the consolidated financial statements and notes thereto of the Partnership as at and for the year ended January 31, 2003.

2. PRO FORMA ADJUSTMENTS:

(a) To reflect the conversion of employee subordinated loans and partners capital to share capital upon the reorganization of the partnership to a corporation. The adjustment reflects the issuance of 17,105,411 Common Shares to partners for $52,162 and 894,589 Common Shares to employees for $2,728, in exchange for their respective partnership interests and subordinated loans in the Partnership for a total of 18,000,000 Common Shares issued for $54,980.

(b) To reflect the adjustment for partner incentive-based compensation. Since the Company has operated as a partnership, there is no meaningful historical measure of the compensation and benefits that would have been paid, in corporate form, to the partners for services rendered in fiscal 2003 and in the six-month periods ended July 31, 2003 and 2002. The adjusted amounts are the actual historical allocations to the Partnership's incentive compensation pool for each of the periods presented.

As a result, additional incentive compensation expense related to partners of $30,227 in fiscal 2003, $17,046 and $16,302 in the six-month periods ended July 31, 2003 and 2002, respectively, have been recorded in the *pro forma* consolidated statements of income. Incentive compensation related to employees who hold subordinated loans of $1,756 in fiscal 2003, $797 and $1,234 in the six-month periods ended July 31, 2003 and 2002, respectively. Incentive compensation paid to all other employees is $3,958 in fiscal 2003, $2,008 and $1,614 in the six months ended July 31, 2003 and 2002, respectively. These amounts of incentive compensation have been reclassified from salaries and benefits expense to incentive compensation expense in the *pro forma* consolidated statements of income.

The future compensation and benefits related to services rendered by former partners and employees who held subordinated loans will be based upon measures of financial performance including net revenues as described under the heading Executive Compensation in the prospectus. Management anticipates that, consistent with industry practice, it will adjust the form and structure of its compensation arrangements to achieve a relationship of compensation and benefits to net revenues within a range that it believes is appropriate given prevailing market conditions. For fiscal 2003 and the six-month periods ended July 31, 2003 and 2002, management targets approximately 40% of net revenues to reflect incentive compensation.

(c) To reflect a *pro forma* tax provision in corporate form at an assumed statutory income tax rate of 38.5% for each of the year ended January 31, 2003 and the six-month period ended July 31, 2002 and 36.5% for the six-month period ended July 31, 2003. As a partnership, the individual partners were allocated income and paid their pro-rata share of income taxes. As a corporation, the Company must set up a provision for corporate income taxes. Accordingly, an income tax provision adjustment was reflected for $13,302 for the year ended January 31, 2003, $6,637 and $6,299 for the six-month periods ended July 31, 2003 and 2002, respectively. A *pro forma* adjustment of $745 for the year ended January 31, 2003 and $162 and $339 for the six-month periods ended July 31, 2003 and 2002, respectively, has been made to reflect the tax recovery related to the settlements and costs.

2. PRO FORMA ADJUSTMENTS: (Continued)

The effective income tax rate will differ from the statutory income tax rate due to permanent differences such as expenses that are not deductible for tax purposes or tax exempt income, Large Corporations Tax and foreign operations subject to different income tax rates. As a corporation, the Company will also be subject to capital taxes.

(d) An adjustment to reflect the accrual of $6,695 representing partner incentive compensation relating to the six-month period ended July 31, 2003, which was paid by the Partnership subsequent to July 31, 2003.

(e) An adjustment to reflect undistributed income of $9,006 by the Company in the third quarter of fiscal 2004 for distributions related to income (after partner incentive compensation) in the first six months of fiscal 2003.

3. ADJUSTMENTS FOR OFFERING:

(a) To reflect an initial public offering of 9,100,000 Common Shares at a price of $11.00 per Common Share for gross proceeds of $100,100, assumed issue costs of $8,006, the reduction of paid-up capital on the Company's Common Shares by $45,000 (and the corresponding payment to the former partners of the Partnership as the then current shareholders of the Company) and the repayment of the subordinated loans to approved non-industry investors of $5,000.

(b) This does not reflect the exercise, in full, of the underwriters over-allotment option to purchase 900,000 Common Shares.

CERTIFICATE OF THE COMPANY

Dated: November 26, 2003

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick), by Section 63 of the *Securities Act* (Nova Scotia), by Part II of the *Securities Act* (Prince Edward Island), by Part XIV of *The Securities Act*, 1990 (Newfoundland and Labrador), by the *Securities Act* (Yukon), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. This prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

(Signed) KEVIN M. SULLIVAN
Chief Executive Officer

(Signed) ADINA MASSON-CROCKER
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) THOMAS A. BUDD
Director

(Signed) STANLEY M. BECK
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 26, 2003

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick), by Section 64 of the *Securities Act* (Nova Scotia), by Part II of the *Securities Act* (Prince Edward Island), by Part XIV of *The Securities Act, 1990* (Newfoundland and Labrador), by the *Securities Act* (Yukon), by the *Securities Act* (Northwest Territories) and by the *Securities Act* (Nunavut) and the respective regulations thereunder. To our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

CIBC World Markets Inc.	Griffiths McBurney & Partners
By: (Signed) Robert Penteliuk	By: (Signed) J. Robert Fraser

BMO Nesbitt Burns Inc.

By: (Signed) Peter Myers

Dundee Securities Corporation

By: (Signed) David P. Styles

Canaccord Capital Corporation	Haywood Securities Inc.	McFarlane Gordon Inc.	Sprott Securities Inc.
By: (Signed) Michael G. Greenwood	By: (Signed) John D. Willett	By: (Signed) Bradley D. Griffiths	By: (Signed) W. Jeffrey Kennedy

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