

**5 PRIVATE SESSION WITH ERNST & YOUNG**

The Chairman then gave the auditors an opportunity to speak to the Audit Committee privately without the presence of management and Mr. Edwards, Mr. Moeller and Mr. Young, who then left the room. The purpose of such a discussion was to table any comments or concerns that might most appropriately be raised with the Audit Committee in the absence of management. Mr. Linsdell of Ernst & Young ("E&Y") reported that he had several discussions and had met with management prior to this meeting to discuss the second quarter's results and presentation of certain items, primarily related to the accounting treatment of the Ellanef rejuvenation initiative. He reported that while he had received schedules from management prior to this meeting he only received the financial statements and the MD&A at the meeting. Mr. Linsdell confirmed that E&Y would perform as much audit work as possible that was not tied to year end values prior to the end of 2006.

Mr. Linsdell was thanked for his work and was excused from the meeting.

**6 CONFIDENTIAL MEETING**

The members of the Audit Committee met in private.

**7 PRIVATE SESSION WITH MANAGEMENT**

Management and directors returned to the meeting. Mr. Gowan, the chair of this meeting of the Audit Committee, reported on the discussion with Mr. Linsdell. Mr. Neill expressed his concern that it had taken E&Y too long to make a final recommendation on the accounting treatment of the Ellanef initiative. Mr. Edwards reiterated his concern that the 2005 audit fee was too high and that management and E&Y must work together to find a way to reduce the 2006 audit fee.

**8 TERMINATION**

There being no further business to come before the meeting, the meeting then terminated.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary