

March 13, 2006

Deloitte & Touche Inc.
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To the Shareholders of Crocus Investment Fund:

Dear Sir/Madam,

As you are aware, pursuant to an Order of the Manitoba Court of Queen's Bench, Deloitte & Touche Inc. (the "Receiver" or "Deloitte") was appointed Receiver and Manager of Crocus Investment Fund ("Crocus" or the "Fund") effective June 28, 2005. The purpose of this letter is to provide shareholders with a brief update regarding the status of the Fund.

Activities of the Receiver and Manager

The primary function of the Receiver is to protect, preserve and realize on the assets of the Fund in an orderly way. In carrying out this function, there have been numerous complex legal and operational issues faced by the Receiver. Reports on the various issues and subsequent Court Orders have been posted on the Deloitte website at www.deloitte.com/ca/crocusfund.

Upon the appointment of the Receiver, the Manitoba Federation of Labour ("MFL") indicated that it required time to consider whether other alternatives existed which would result in a better return for the Crocus shareholders. In the fall of 2005, the MFL advanced a proposal by GrowthWorks Ltd. (the "GrowthWorks proposal") as an alternative to the plan outlined by the Receiver which is detailed in Receiver's Report #5 (the "Receiver's plan"). The Court considered both the proposal and the plan and in a decision delivered on October 27, 2005 rejected the GrowthWorks proposal and accepted the Receiver's plan.

GrowthWorks subsequently submitted a conditional offer to the Receiver for \$70.0 million. This offer was for the investment portfolio currently valued at \$60.0 million and cash of approximately \$24.0 million for a total asset value of \$84.0 million. The offer was not considered acceptable and was rejected. On March 9, 2006 GrowthWorks delivered a letter to Deloitte wherein it proposes to acquire all of the assets of Crocus under the terms of a definitive agreement to be negotiated between the parties (the "Proposal"). Deloitte will review the Proposal and may be able to report on it in Deloitte's next quarterly report to the Manitoba Court of Queen's Bench, which is to be filed by mid-April. In reviewing the Proposal, Deloitte must consider the interests of all parties and assess the potential impact.

As has been detailed in Receiver's Reports #5 and 5A, evaluating and responding to any proposal is not a simple process due to a number of factors including:

- The Crocus portfolio of investments consists primarily of minority interests in small privately held companies, which by their nature can be difficult to value and sell.
- Crocus entered into varied and complex legal agreements with virtually all of its Investee companies, many of which have provisions for rights of first refusal and confidentiality.
- Crocus has indemnified various third parties who are looking to the remaining assets of Crocus to provide protection for any claims which may be brought against them.

The Receiver's plan, which is presently being carried out, is for an orderly sale of the Crocus investment assets. The proceeds from the sale of the investments, net of costs, are being held in trust by the Receiver pending further Order of the Court. The Receiver has retained staff and consultants to assist with the management and disposition of the investments and the Receiver continues to correspond with numerous parties interested in acquiring the investments. In addition, certain investee companies have brought forth various parties which they indicate may be interested in buying out Crocus' interest in the investee company. This process is ongoing and we anticipate that exit strategies will be negotiated with a significant number of the investee companies by late summer.

Status of Shares

As a result of the decision by Crocus to suspend the rights of the Class A shareholders to request redemption of their shares (effective December 10, 2004), the Receiver is unable to redeem shares. However, the Receiver is of the view that it would like to begin to return capital to the shareholders of Crocus. In that regard, Deloitte has requested the Court to authorize an initial interim distribution to shareholders. Subject to Court approval and other statutory and

regulatory matters being satisfied, the first distribution would equate to \$1.00 per Class A share. Subject to further approvals by the Court, additional distributions may be made as cash becomes available. The Court set a date of March 29, 2006 to hear this matter. A number of parties may oppose the proposed distribution, details of which are outlined in Receiver's Report #6.

Class Action Proceedings

As many of you may be aware, a Class Action lawsuit was initiated against Crocus Investment Fund and various other parties including former Officers and Directors of Crocus, Crocus' lead broker and auditors, and the Manitoba Securities Commission. Deloitte has no direct involvement in the Class Action. Currently, only those shareholders of Crocus who bought their Crocus shares after October 1, 2000 are eligible to benefit from the Class Action. If the Class Action results in a payment from Crocus to the Class Members, such payment, to the extent not covered by insurance, will reduce the amount available to those shareholders of Crocus who are currently not eligible to benefit from the Class Action.

This Action is in its early stages and the Class has yet to be certified. Recently, the Court ruled that Crocus is responsible for paying the ongoing legal costs of the various Officers and Directors sued in the Class Action as well as those parties named in the regulatory proceeding brought by the Manitoba Securities Commission ("MSC"). Payment of these costs, to the extent they are not covered by insurance, will also reduce the amount which is ultimately available to Crocus' shareholders.

Crocus had maintained insurance coverage for Officers and Directors to cover claims which may be filed; the coverage is limited to \$5.0 million with a \$100,000 deductible. Presently, the insurer has denied coverage for those legal costs related to the MSC investigation as well as the investigation of the Office of the Auditor General ("OAG"). The Receiver has filed a statement of claim against the insurer asking the Court to declare that the legal costs associated with the MSC and OAG to be covered by the policy of insurance. In the meantime, as a result of the Court Order these legal costs are to be paid out of the assets of Crocus.

As indicated, it is the Receiver's mandate to protect, preserve and realize on the assets of Crocus for those parties entitled to share in the distribution of the proceeds of realization. Deloitte is currently considering various alternatives to ensure that it effectively discharges this mandate.

Shareholder Services

The Receiver has maintained a shareholder services group. For your records we have enclosed a statement of your current holdings. Should you have specific questions regarding your Crocus account or have a change of address, please contact shareholder services at (204) 925-7788 or 1-866-893-8710.

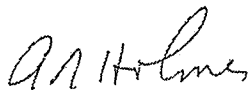
Further Information

Further information and updates will continue to be posted on the Deloitte website at www.deloitte.com/ca/crocusfund. The Receiver will endeavor to keep all shareholders apprised of the progress of the receivership and we would encourage you to check our website for updates on a regular basis.

Should you have any questions respecting this matter, please visit the website or alternatively call the help line at 1-866-574-3535.

Yours truly,

Deloitte & Touche Inc.,
in its capacity as Receiver/Manager
of Crocus Investment Fund and not
in its personal capacity.



Per: A. R. Holmes
Senior Vice President