Court File No. CV-11-9283-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

IN THE MATTER OF *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS, INC.

SUPPLEMENTARY AFFIDAVIT OF JOHN ZORBAS

I, John Zorbas, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. This affidavit is sworn to supplement my affidavit sworn January 22, 2013 (my "First Affidavit"), and I adopt the definitions set out therein, as well as the definitions set out in the Plan annexed as Schedule "A" to the Notice of Motion.

2. As I stated in my First Affidavit, I verily believe that there is no need for a shareholders' meeting to approve the Plan.

3. In my experience in dealing with the public markets for the past 10 years, calling a shareholders' meeting for a company with a significant number of shareholders, such as UBS, is time consuming and extremely expensive. To conduct such a shareholders' meeting for UBS,

the Plan Sponsor would have to spend at minimum, $250,000, and up to $500,000, depending on the print and size of the material, the costs of binding and mailing the material (in French and English), and the number of shareholders of UBS that would have to be provided with the material (not including legal and other professional fees required)..

4. The Plan Sponsor is not prepared to spend this kind of money for a shareholders' meeting that is not required under the *CCAA* process.

5. In addition, the Jolian Settlement negotiated with Jolian requires a determination to be made prior to February 8, 2013, if at all possible (as Jolian is scheduled to commence trial with UBS on February 18, 2013).

6. Based on my understanding of the complexity of the litigation, it is unlikely that the shareholders are able to determine whether or not any settlement is fair and reasonable. I believe the court would be in the best position to provide that critical analysis, and that is the basis of the Plan being proposed by the Plan Sponsor.

7. I verily believe that from my review of the history of this proceeding, that the professionals involved have generated legal and other fees and expenses far exceeding the amount payable under Plan now being proposed that would take UBS out of *CCAA*.

8. I believe that this cannot be in the best interests of all the stakeholders. An order requiring a shareholders' meeting to approve the Plan would defeat the Plan before it goes to Creditors, which is contrary to the spirit and intent of the *CCAA*.. Considering the attendant delay, the cost and the effectiveness of any decision to be made by the shareholders who happen to attend the meeting, it would not be a reasonable business decision for the Plan Sponsor to wait

that long, tie up in excess of $4,500,000 and incur that significant expense of a shareholders' meeting. The Plan Sponsor will not do so.

9. As a shareholder, the Plan Sponsor questions the business judgment to risk all or most of the assets assets of UBS on winning a lawsuit, especially when there is a reasonable settlement available.

10. As a creditor, the Plan Sponsor believes that this course of conduct of UBS, namely gambling Creditors' funds on risky litigation is a misuse of the *CCAA* process, especially when there is a Plan providing for payment of Creditors with approved claims in full.

11. In summary, I am of the view, on behalf of the Plan Sponsor, that this approach to litigation is an approach designed to benefit, if successful, the shareholders, and as a result it should be funded by the shareholders, not by the Creditors. Similarly, paying for a shareholders' meeting is not a reasonable business decision for the Creditors, and no Creditor should be paying for it.

12. The shareholders, if they wished to continue the litigation, could have organized funding long ago to do so, and could have paid the Creditors with approved Claims their claims in full. They have not done so.

13. I intend to rely on a number of documents in support of the position of the Plan Sponsor, on behalf of the Creditors of UBS and its other stakeholders. Now shown to me and marked as Exhibits to this my affidavit are true copies of the following documents which were either found on the internet on the website of the Monitor of UBS, or were obtained by me, including:

(a) **Exhibit "A"** - Management's Discussion and Analysis of the Financial Condition and Results of Operations of UBS August 31, 2012 and 2011;

(b) **Exhibit "B"** - UBS Consolidated Financial Statement for the year ended August 31, 2012 and 2011;

(c) **Exhibit "C"** - UBS Interim Audited Consolidated Financial Statement 3 and 9 months ended May 31, 2010 and 2009;

(d) **Exhibit "D"** - Look Certificate of Amalgamation and Articles of Amalgamation;

(e) **Exhibit "E"** - Duff & Phelps Acquisition Opportunity December 2012;

(f) **Exhibit "F"** - Letter SRG to Groia Firm January 21, 2013;

(g) **Exhibit "G"** - Letter SRG to McLean Kerr Firm January 21, 2013; and,

(h) **Exhibit "H"** - November 5, 2012 Supplement to the Eleventh Report of Duff & Phelps

14. I make this supplementary affidavit in support of the Plan Sponsor's motion and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on , January 24, 2013

Commissioner for Taking Affidavits
(or as may be)
Raffaele Sparano

JOHN ZORBAS

IN THE MATTER OF *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ONTARIO
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(COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)

SUPPLEMENTARY AFFIDAVIT OF JOHN ZORBAS
SWORN JANUARY 24, 2013

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Lawyers for Niketo Co. Ltd.

File Number: 17086

RCP-E 4C (July 1, 2007)

This is Exhibit "A" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

Management's Discussion and Analysis of Financial Condition
and Results of Operations of

UNIQUE BROADBAND SYSTEMS, INC.

Years ended August 31, 2012 and 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
of Financial Condition and Results of Operations
(In thousands of Canadian dollars, except per share amounts)
For the years ended August 31, 2012 and 2011

November 29, 2012

1. INTRODUCTION

This management's discussion and analysis ("MD&A") of financial condition and result of operations of Unique Broadband Systems, Inc. ("UBS" or "the Company") is supplementary to, and should be read in conjunction with, the Company's consolidated financial statements for the fiscal years ended August 31, 2012 and 2011.

The Company's consolidated financial statements and the notes thereto have been prepared on the basis of accounting principles applicable to a going concern. This assumes that the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, other than in the normal course of business and at amounts different from those in the financial statements.

Unless specifically stated, the references to "UBS" or "the Company" include the legal entity Unique Broadband Systems, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless"). References to "Look" refer to Look Communications Inc., a corporation in which the Company has a 39.2% economic interest and a 37.6% voting interest.

2. CHANGES IN ACCOUNTING POLICIES

Transition to International Financial Reporting Standards ("IFRS")

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date for the Company is September 1, 2010. The Company's financial statements for the year ended August 31, 2012 are the Company's first financial statements prepared under IFRS.

The accounting policies, as described in Note 2 of the Company's consolidated financial statements for the year ended August 31, 2012, have been selected to be consistent with IFRS, as issued by the International Accounting Standards Board ("IASB"), as effective August 31, 2012. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP.

The accounting policies have been applied consistently to all periods presented. They were also applied in the preparation of an opening IFRS statement of financial position as at September 1, 2010, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian GAAP to IFRS is explained in the section entitled "IFRS Transition".

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and financial performance is set out in the reconciliations and additional notes presented in Note 19 of the Company's consolidated financial statements. The adoption of IFRS has had no material impact on the cash flows of the Company and, as such, no reconciliation of prior period cash flow statements has been presented.

Estimates: Hindsight was not used to create or revise estimates and, accordingly, the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRS 10 Consolidated Financial Statements ("IFRS 10") establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidated – Special Purpose Entities" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 11 Joint Arrangements ("IFRS 11") establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes the current IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities — Non-Monetary Contributions by Venturers" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 13 Fair Value Measurements ("IFRS 13") defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRS that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

3. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements and information concerning expected future events, the future performance of the Company, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations. The Company cautions that all forward-looking statements and information are inherently uncertain and actual future results, conditions, actions or events may differ materially from the targets, assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future results, conditions, actions, events, or performance will be affected by a number of factors including economic conditions and competitive factors, many of which are beyond the Company's control.

New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or the effect that they may have on the Company. Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties include, but are not restricted to: (i) tax-related matters, (ii) financial risk related to short-term investments (including credit risks and reductions in interest rates), (iii) human resources developments, (iv) business integrations and internal reorganizations, (v) process risks, (vi) health, safety, and environmental developments, (vii) the outcome of litigation and legal matters, (viii) any prospective acquisitions or divestitures, (ix) other risk factors related to the Company's historic business, and (x) risk factors related to the Company's future operations.

More specifically, UBS faces risks and uncertainties in connection with the ongoing *Companies Creditors' Arrangement Act* ("CCAA") claims process and ongoing litigation described under the section entitled "Provisions and contingencies - Contingencies". In particular, there can be no assurance that UBS will not be found liable for payments to certain parties in the course of this litigation nor can there be any assurance that UBS will be able to recover any of the amounts sought in its counterclaims. An award of damages against UBS and the ongoing costs of this litigation could, independently or collectively, have a material adverse effect on the financial condition and solvency of UBS.

For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see the sections entitled "Overview – Significant events" and "Provisions and contingencies" below.

Therefore, future events and results may vary significantly from what the Company currently foresees. Readers are cautioned that the forward-looking statements and information made by the Company in this MD&A are stated as of the date of this MD&A, are subject to change after that date, are provided for the purposes of this MD&A and may not be appropriate for other purposes. We are under no obligation to update or alter the forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by National Instrument 51-102, and we expressly disclaim any other such obligation.

4. OVERVIEW

Significant events

(a) UBS commencement of sales process for Look shares

On November 9, 2012, the Ontario Superior Court of Justice made an order approving a process by which UBS will seek offers for the purchase of all or part of the 24,846 multiple voting shares and 29,921 subordinate voting shares of Look. The sales process will be run by Duff & Phelps Canada Restructuring Inc. in its capacity as Monitor of UBS under CCAA.

A special committee, comprising Victor Wells and Kenneth Taylor who are directors of UBS, will review and consider all offers, and will determine the successful offer, if any. UBS is under no obligation to accept the highest and best offer, or any offer, acting reasonably. Any transaction for the sale of the Look shares will be subject to approval by the court. All offers must be structured on a basis that is exempt from the prospectus requirements of applicable securities laws. Depending on, among other things, the price being offered and the percentage of Look shares being purchased, the successful bidder, if any, may be required to make an offer to purchase the shares of all other shareholders of Look under applicable securities laws.

(b) CCAA proceedings and notice of appeal of summary judgment motions

On July 5, 2011, UBS announced that it and UBS Wireless had commenced proceedings under the CCAA. On November 9, 2012, the court made an order staying all proceedings against UBS and its directors until February 1, 2013. Duff and Phelps Canada Limited (the "Monitor") has been appointed as the Monitor of UBS. Further information with respect to the CCAA proceedings can be found on the Monitor's website at www.duffandphelps.com.

UBS has been successful in significantly reducing operating expenses, settling certain claims and obtaining the reversal of approximately $2,925 of awards, granted by UBS' prior board in 2009. Notwithstanding these achievements, the approximately $10,000 in termination and other payments being pursued in claims against UBS involving, among others, Jolian Investments Ltd. ("Jolian"), Mr. McGoey, and Mr. Douglas Reeson (the "Plaintiff Group"), have precipitated the commencement of proceedings under the CCAA, which UBS views as the best course of action to preserve its assets.

The CCAA proceeding has been commenced to, among other things:

(i) facilitate the determination and compromise or arrangement of creditor claims against UBS;
(ii) permit UBS to propose a plan to realize value from its accumulated tax losses, public listing and other assets;
(iii) avert an imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from continuing to carry on business for the benefit of its stakeholders and defending the proceedings brought by the Plaintiff Group;
(iv) stay all payables owing by UBS; and
(v) provide a process to determine the claims being asserted against UBS by the Plaintiff Group in a more cost effective and expeditious manner.

While under protection from its creditors, UBS' Board of Directors will continue to manage UBS. Should the stay period in the CCAA proceedings, and any subsequent extensions thereof, not be sufficient in duration or scope to allow UBS to complete its tasks, as outlined above under the CCAA, and should UBS lose the protection of the stay of proceedings, creditors may immediately enforce their rights and remedies against UBS and its assets which would in all likelihood lead to liquidation proceedings.

(c) DOL Technologies Inc. and Mr. Dolgonos settlement of claim

On July 6, 2012, UBS reached a settlement agreement between UBS and its directors, and Mr. Alex Dolgonos, 2064818 Ontario Inc., 6138241 Canada Inc. and DOL Technologies Inc. (the "Dolgonos Parties"), for a claim of $500, to be settled under the CCAA claims process (refer to the section entitled "Related Party Transactions").

(d) Change in Board of Directors

On July 13, 2012, Mr. Grant McCutcheon and Mr. Henry Eaton resigned as directors of UBS and were replaced with Mr. Victor Wells and Mr. Kenneth Taylor. Mr. Robert Ulicki remains on the board.

(e) Management Services Agreement with Look

Under the original terms of the Management Service Agreement, entered into between UBS and Look on May 19, 2004 ("Look MSA"), Look had been required to pay an annual fee of $2,400 to UBS. On April 22, 2010, Look's Board of Directors notified UBS that it would not be recommencing the MSA and, on May 19, 2012, the MSA expired.

(f) Return of capital from Look

On March 13, 2012, Look paid $6,985 to the holders of its multiple voting shares and subordinate voting shares as a return of capital equivalent to $0.05 for each outstanding multiple voting share and subordinate voting share. UBS received $2,739 of Look's return of capital.

(g) UBS' change to Tier 2 TSX listed company

On July 6, 2011, UBS received notice from the TSX Venture Exchange (the "Exchange") that, in accordance with its Continued Listing Requirements outlined in Exchange Policy 2.5, UBS no longer meets the tests related to having a significant interest in a business or primary asset used to carry on business. Effective July 7, 2011, the Exchange issued a bulletin reclassifying UBS to Tier 2 and subsequently placed the Corporation on notice to transfer to NEX on June 7, 2012, subject to the Corporation making a submission that it meets all Tier 2 Continued Listing Requirements.

(h) Restructuring

On May 5, 2009, UBS announced the sale of its wireless spectrum to Inukshuk Wireless Partnership and commenced the restucturing of its operations. In June 2009, UBS recorded contingent awards, approved and allocated by its then directors, as human resource restructuring costs and these, along with other restructuring costs, are set out in the following tables:

Accrued restructuring liabilities	Contract termination, special meeting and legal charges	Human resource restructuring charges	Total restructuring amounts
Balance as at September 1, 2010	$ 664	$ 32	$ 696
Expensed in fiscal 2011	154	-	154
Paid in fiscal 2011	(818)	(32)	(850)
Balance as at August 31, 2011 and 2012	**$ -**	**$ -**	**$ -**

Accrued restructuring liabilities due to related parties[1]	Legal charges	Human resource restructuring charges	Total restructuring amounts
Balance as at September 1, 2010	$ -	$ 5,369	$ 5,369
Expensed in fiscal 2011	7	130	137
Paid in fiscal 2011	(7)	(199)	(206)
Reversal of accrual in fiscal 2011	-	(1,297)	(1,297)
Balance as at August 31, 2011	$ -	$ 4,003	$ 4,003
Expensed in fiscal 2012	-	114	114
Reversal of accrual in fiscal 2012	-	(1,155)	(1,155)
Balance as at August 31, 2012	**$ -**	**$ 2,962**	**$ 2,962**

[1] See the section entitled "Related Party Transactions".

During the year ended August 31, 2012, UBS expensed $114 in accrued interest on the awards due to related parties, and recovered $1,155 of restructuring charges.

On July 6, 2012, UBS settled the accrued restructuring award granted to the Dolgonos Parties, which resulted in, among other things, a $1,030 reversal of the restructuring award originally granted in June 2009 and $125 in accrued interest, totalling $1,155, to restructuring charges. The remaining balance of $500 will be settled under the CCAA claims process.

During the year ended August 31, 2011, UBS expensed $291, paid $1,058 and recovered $1,297 of restructuring charges. Of the $291 expensed in fiscal 2011, $161 related primarily to professional fees and consulting expenses and the balance related mainly to accrued interest on the awards due to related parties.

On January 6, 2011, UBS settled the accrued restructuring award granted to the former Chief Financial Officer ("CFO") by the former Board of Directors and any other amount due under his employment agreement, for $330, which resulted in a reversal of $833 to restructuring charges. On February 16, 2011, UBS settled the accrued restructuring award granted to a former director of UBS, which resulted in, among other things, a full reversal of the restructuring award originally granted in June 2009 and accrued interest, totalling $464, to restructuring charges.

(i) Income taxes

As at August 31, 2012, UBS had $22,202 in non-capital income tax losses with expiry dates between 2014 and 2032, SRED pool carryforwards of $11,545, capital loss carryforwards of $22,555, and non-tax deductible reserves of $3,408.

(j) GPV Elbau Electronics A/S vs UBS

Certain claims were filed against UBS in connection with UBS Technologies A/S (formerly ProTeleVision Technologies A/S), its Danish subsidiary that was petitioned into bankruptcy in early 2003. On June 17, 2011, judgment was given in favour of UBS and GPV Elbau Electronics A/S has paid legal costs to UBS in the amount of DKK 100 (approximately $19).

(k) 2010 legal advances

During June, 2010 and July, 2010 the former Board of Directors of the Company approved $570 of advances to various professional firms as retainers for future services for the then directors, officers and consultants.

As at August 31, 2012, UBS has been advised that the amounts on retainer had been drawn down by a total of approximately $198. $19 was returned to UBS as a result of a settlement agreement executed between UBS and the former CFO. $37 is due to be returned to UBS as a result of a settlement agreement executed between UBS and a former director and is reflected in accounts receivable and other receivables. As a result, it is estimated that $316 remains on retainer as at August 31, 2012.

The Company

UBS is a publicly listed Canadian company that, effective May 25, 2010, has a 39.2% fully diluted equity interest in Look.

In 2003, UBS transitioned from a technology company that designed, developed and manufactured broadband wireless equipment to a holding company when it acquired a 51.8% controlling interest in Look and sold its manufacturing business. On May 25, 2010, the convertible debenture previously held by UBS Wireless was redeemed by Look and, as a result, effective May 25, 2010, UBS has a 39.2% economic interest and a 37.6% voting interest in Look.

As at August 31, 2012, the UBS head office was located in Milton, Ontario and had two employees.

On July 13, 2012, the court made an order which postponed the requirement of UBS to hold shareholder meetings until the completion of the CCAA proceeding.

Services

Service revenue comprised fees received by UBS from Look pursuant to the Look MSA, which expired on May 19, 2012. Service revenues in connection with the Look MSA included fees payable on a monthly basis from Look to UBS.

Deferred Revenue

Deferred revenue included payments received by UBS from Look in advance of future services pursuant to the Look MSA, which expired on May 19, 2012.

Strategy

UBS' operating strategy is to:

(i) maximize the value of its investment in Look;
(ii) advance the CCAA claims process as expeditiously as possible; and
(iii) recover the amounts sought in the counterclaims filed by UBS against its former Chief Executive Officer ("CEO"), and certain entities controlled by a former officer.

As Look distributes available cash to its shareholders, UBS will assess its options with respect to the use of its cash.

Investment in Look

(a) Return of capital from Look

On March 13, 2012, Look paid $8,985 to the holders of its multiple voting shares and subordinate voting shares as a return of capital of $0.05 for each outstanding multiple voting share and subordinate voting share. UBS received $2,739 of Look's return of capital.

(b) Investment in Look

As at August 31, 2012, UBS Wireless held 24,864 Multiple Voting Shares and 29,921 Subordinate Voting Shares in Look, representing a 39.2% economic interest and a 37.6% voting interest in Look. UBS acquired its shareholding in Look through a series of transactions and the receipt of shares in lieu of interest on its convertible debenture, redeemed by Look on May 25, 2010.

UBS' 39.2% interest in Look's equity of $17,890, as at August 31, 2012, amounted to $7,011 (August 31, 2011 - $29,096 and $11,405 respectively; September 1, 2010 - $32,053 and $12,564 respectively) is set out in the table below:

Investment in Look	
Investment in Look as at September 1, 2010	$ 12,564
Cumulative equity interest in Look's losses for fiscal 2011	(1,159)
Investment in Look as at August 31, 2011	$ 11,405
Return of capital from Look	(2,739)
Cumulative equity interest in Look's losses for fiscal 2012	(1,655)
Investment in Look as at August 31, 2012	**$ 7,011**

An analysis of UBS' interest in the post acquisition income and losses of Look is as follows:

Equity interest in Look	
Cumulative equity interest in Look's income as at September 1, 2010	$ 635
Equity interest in Look's losses for fiscal 2011	(1,159)
Equity interest in Look's losses for fiscal 2012	(1,655)
Cumulative equity interest in Look's losses as at August 31, 2012	**$ (2,179)**

Look's consolidated balance sheets as at August 31, 2012 and 2011, and September 1, 2010 are set out below:

	August 31, 2012	August 31, 2011	September 1, 2010
ASSETS			
Total current assets	$ 18,805	$ 30,406	$ 31,505
Property and equipment	-	-	1,738
	$ 18,805	$ 30,406	$ 33,243
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Total current liabilities	$ 915	$ 1,310	$ 1,190
Shareholders' equity			
Share capital	27,499	34,484	34,484
Deficit[1]	(9,609)	(5,388)	(2,431)
Total shareholders' equity	17,890	29,096	32,053
	$ 18,805	$ 30,406	$ 33,243

Look's market capitalization, based on the closing share prices of its multiple and subordinate voting shares as at August 31, 2012 of $0.120 and $0.075 respectively, was $13,455 (August 31, 2011 - $0.130 and $0.130 respectively - $18,161; September 1, 2010 - $0.155 and $0.170 respectively - $22,757).

On June 3, 2011, Look sold its land and building in Milton, Ontario for aggregate consideration of $3,050.

Look continues to pursue opportunities to realize the value of its tax attributes of approximately $166,116.

(c) Look's Statement of Claim in connection with the payment of restructuring awards

On July 6, 2011, Look issued a Statement of Claim (the "Claim") in the Ontario Superior Court of Justice (the "Court") against certain former directors and certain former officers of Look in connection with the payment of approximately $20,000 of "restructuring awards" paid in 2009, of which approximately $15,700 was paid to the directors and senior officers named in the Claim (or their personal holding companies, as applicable) from the net proceeds of approximately $64,000 realized by Look on the sale of its spectrum licence in 2009.

The former officers and directors named in the Claim collectively resigned effective July 21, 2010. None of the allegations in the Claim have been proven before the Court and none of the defendants have filed a statement of defence. Look intends to vigorously pursue its claims against the former directors and former officers named in the Claim (as well as their personal holding companies, as applicable) for payments and decisions which Look believes were not in Look's or its shareholders' best interests.

(d) Change of Look to *NEX* listed company

In accordance with TSX Venture Policy 2.5, Look has not maintained the requirements for a TSX Venture Tier 2 company. Therefore, effective Friday, November 25, 2011, Look's listing was transferred to NEX, Look's Tier classification changed from Tier 2 to NEX, and the Filing and Service Office changed from Montreal to NEX. As of November 25, 2011, Look is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies.

The trading symbol for Look's multiple voting shares changed from LOK to LOK.H. The trading symbol for Look's subordinate voting shares changed from LOK.A to LOK.K. There is no change in Look's name, in its CUSIP number and consolidation of capital. The symbol extensions differentiate NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market.

5. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Continuing operations

The consolidated financial statements for the years ended August 31, 2012 and 2011 include the accounts of UBS' wholly owned subsidiary, UBS Wireless. All significant intercompany balances and transactions have been eliminated upon consolidation.

As at August 31, 2012 and 2011, and September 1, 2010, UBS Wireless held 24,864 Multiple Voting Shares and 29,921 Subordinate Voting Shares in Look. UBS has a 39.2% economic interest and a 37.6% voting interest in Look and, as of May 26, 2010, accounts for its interest in Look using the equity method.

Discontinued operations

During the second quarter of fiscal 2004, UBS' divestiture of its Engineering and Manufacturing Business resulted in the reclassification of that business as "Discontinued Operations". Accordingly, all revenues and costs associated with that business and the divestiture have been reclassified from September 1, 2003 as "Discontinued operations" in the consolidated statements of loss and comprehensive loss and the consolidated statements of cash flows.

Basis of presentation and going concern

Going Concern

The going concern basis of presentation assumes that UBS will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about UBS' use of the going concern assumption because, as at August 31, 2012, UBS has a working capital deficiency of $2,181 (August 31, 2011 - $4,551 and September 1, 2010 - $3,986). Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain litigation (refer to the section entitled "Provisions and contingencies"). UBS will need to raise cash and/or monetize assets, and/or receive further cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments, giving rise to doubt about UBS' use of the going concern assumption.

Notwithstanding the above, the Company's consolidated financial statements for the years ended August 31, 2012 and 2011 have been prepared on a going concern basis and do not include any adjustments to the carrying values and classifications of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Investment in Look

With effect from May 25, 2010, UBS accounts for its 39.2% interest in Look using the equity method that reports UBS' equity participation in Look through the "equity interest in Look's income or loss" in the statement of loss and comprehensive loss.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's first consolidated financial statements for the year ended August 31, 2012 were prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies have been selected to be consistent with IFRS, as issued by the International Accounting Standards Board ("IASB"), as effective August 31, 2012. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented.

They were also applied in the preparation of an opening IFRS statement of financial position as at September 1, 2010, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian GAAP to IFRS is explained in the section entitled "IFRS Transition".

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition.

(b) Restricted cash

Restricted cash is held in an interest-bearing certificate with maturity of 90 days or less from the original date of acquisition, currently with an interest rate of 0.3%. Funds are restricted to secure the Company's credit card.

(c) Revenue recognition

Service revenue was comprised of base fees received by UBS from Look pursuant to the management services agreement ("Look MSA") entered into between UBS and Look on May 19, 2004 which expired on May 19, 2012. Service revenues in connection with the Look MSA included base fees payable on a monthly basis from Look to UBS.

Deferred revenue included payments received by UBS from Look in advance of future services pursuant to the Look MSA which expired on May 19, 2012.

(d) Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held to maturity investments ("HTM"), or available for sale financial assets ("AFS"), as appropriate at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. A financial asset is derecognized when its contractual rights to the asset's cash flows expire or if substantially all the risks and rewards of the asset are transferred.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. Transaction costs are expensed as incurred. The Company has no assets at FVTPL.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivable. Accounts receivable are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost. Bad debts are written off during the period in which they are identified. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the consolidated statements of loss and comprehensive loss when the receivables are derecognized or impaired, as well as through the amortization process. The Company classifies cash and cash equivalents, restricted cash, accounts receivable and other receivables as loans and receivables.

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

The carrying amount of all financial assets, excluding accounts receivable, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. Associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. Subsequent recoveries of amounts previously allowed for are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of loss and comprehensive loss.

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument asset or liability and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts or disbursements over the expected life of the financial asset or liability, or where appropriate, a shorter period. Income or expense is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate upon initial recognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to the initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Company's other financial liabilities include accounts payables, accrued restructuring liabilities, and accrued liabilities.

Financial liabilities are classified as FVTPL if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments (including separated embedded derivatives) unless they are designated as effective hedging instruments. Gains or losses on liabilities classified as FVTPL are recognized in the consolidated statement of loss and comprehensive loss. The Company does not have any liabilities at FVTPL.

Financial instruments carried at fair value

Financial instruments carried at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(e) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute deferred tax assets and liabilities are measured at future anticipated tax rates which have been enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

With certain exceptions, deferred tax assets and liabilities are provided on all qualifying temporary differences at the end of the reporting period between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(f) Provisions and contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

(g) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

(h) Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. The number of forfeitures likely to occur is estimated on grant date. Any consideration paid by directors, officers and employees on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the fair value of the goods and services on the date when the goods or services are received and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the fair value of the goods or services received from non-employees in exchange for the share-based payment cannot be reliably estimated, the fair value of the shares issued is measured by use of a Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. No share-based payments were made during fiscal 2012 and 2011.

(i) Significant accounting judgments and estimates

The preparation of the Company's consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The Company's consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies. Factors considered in the assessment of the likelihood and value of the realizable deferred tax assets include the Company's forecast of the amount and timing of future net income before taxes, available tax planning strategies that could be implemented to realize the deferred tax assets and the remaining period of loss carry-forwards.

7. SELECTED ANNUAL INFORMATION

	Fiscal 2012	Fiscal 2011	Fiscal 2010[1]
Service and sales revenue	$ 1,244	$ 1,956	$ 1,073
Carrier charges and cost of sales	-	-	425
Gross margin from continuing operations	1,244	1,956	648
Operating expenses and restructuring charges before depreciation of property and equipment	1,621	2,030	8,260
Accretion on liability component of convertible debentures, interest and finance charges, interest income, and gain on sale of other property and equipment	8	24	(187)
Adjustment to gain on sale of spectrum and broadcast licence	-	-	(61)
Depreciation of property and equipment and depreciation of deferred charges	-	-	(198)
Equity interest in Look's losses and dilution loss due to change in shareholding in Look	(1,655)	(1,159)	(1,259)
Income (loss) for the year from continuing operations	(2,024)	(1,209)	(9,317)
Non-controlling interest	-	-	3,425
Loss for the year from continuing operations	(2,024)	(1,209)	(5,892)
Loss for the year from discontinued operations	-	(515)	(110)
Loss and comprehensive loss for the year	(2,024)	(1,724)	(6,002)
Continuing operations			
Basic and diluted loss per share	(0.020)	(0.012)	(0.057)
Discontinued operations			
Basic and diluted loss per share	0.000	(0.005)	(0.001)
Loss per share			
Basic and diluted	(0.020)	(0.017)	(0.058)
Total assets	9,574	13,585	17,557
Total liabilities	4,694	8,681	8,929

[1] Selected annual information for fiscal 2010 includes Look on a consolidated basis at 51% up to May 25, 2010 and Look at 38.2% using the equity method from May 26, 2010 to August 31, 2010. Fiscal 2010 comparatives are presented in Canadian GAAP.

8. RESULTS OF OPERATIONS

Highlights of the results, for the year ended August 31, 2012 and 2011, include the following:

- Commencing January 1, 2011, Look no longer maintained the prepaid annual fee of $2,400 on a monthly basis and this amount was drawn down at approximately $145 per month over the remaining term of the Look MSA, which expired on May 19, 2012. For the year ended August 31, 2012, UBS recorded $1,244 (2011 - $1,956) from fees earned pursuant to the Look MSA.
- UBS recorded a loss from continuing operations of $2,024 for the year ended August 31, 2012, compared to a loss of $1,209 for the year ended August 31, 2011. The $815 increase was due mainly to the expiration of the Look MSA and higher losses in the equity in Look.
- As at August 31, 2012, UBS held cash and cash equivalents of $1,635 compared to $945 at August 31, 2011. The increase was due primarily to the return of capital totalling $2,739 paid by Look equivalent to $0.05 for each outstanding multiple voting share and subordinate voting share held, partially offset by the settlement of payables and accrued liabilities.

Continuing operations

Revenue from Look MSA fees

Pursuant to the Look MSA which expired on May 19, 2012, the base fee for the year ended August 31, 2012 amounted to $1,244 (2011 - $1,956) (refer to the section entitled "Significant events – Management Service Agreement with Look").

Operating expenses

	Year ended August 31, 2012	Year ended August 31, 2011
Compensation	$ 636	$ 731
General and administration	2,026	2,305
Restructuring recovery	(1,041)	(1,006)
Total operating expenses	$ 1,621	$ 2,030

Compensation

Compensation expenses include administrative salaries and related benefits. During the year ended August 31, 2012, the Company expensed $636 in compensation (2011 - $731), which included $450 in key management compensation (2011 - $477). Included in the fiscal 2012 compensation expense was a $200 lump sum payable to the CEO (refer to the section entitled "Related party transactions – CEO termination clause").

General and administration

General and administration expenses include general occupancy, professional fees, and other administrative overheads for the Company.

A summary of the key components of general and administration expenses is set out below:

	Year ended August 31, 2012	Year ended August 31, 2011
Professional fees	$ 381	$ 437
Legal expenses	1,588	1,769
Office and general	57	99
Total general and administrative expenses	$ 2,026	$ 2,305

For the year ended August 31, 2012, general and administration expenses were $2,026 compared to $2,305 for the year ended August 31, 2011. The decrease in general and administrative expenses for the period was due primarily to lower legal expenses and lower administrative overheads.

Restructuring expense and recovery

Restructuring expenses include, among others, legal and consulting charges incurred in relation to former director and former management indemnities, special meeting costs and interest on awards due to related parties.

Fiscal 2012

During the year ended August 31, 2012, the Company accrued $114 in interest on the awards due to related parties, and recovered $1,155 in restructuring awards and interest, which were expensed to restructuring charges.

On July 6, 2012, UBS settled the accrued restructuring award granted to the former Chief Technology Consultant by the former Board of Directors which resulted in, among other things, a reversal of $1,155 to restructuring charges during the fourth quarter of fiscal 2012.

Fiscal 2011

During the year ended August 31, 2011, UBS expensed $291, paid $1,056 and recovered $1,297 of restructuring charges. Of the $291 expensed in fiscal 2011, $161 related primarily to professional fees and consulting expenses and the balance related mainly to accrued interest on the awards due to related parties.

On January 6, 2011, UBS settled the accrued restructuring award granted to the former CFO by the former Board of Directors which resulted in, among other things, a reversal of $833 to restructuring charges.

On February 16, 2011, UBS settled the accrued restructuring award granted to a former director of UBS, resulting in, among other things, a reversal of $464 to restructuring charges.

Interest and financing charges

For the year ended August 31, 2012, $8 in interest income was recognized on liquid assets (2011 – $24). The decrease in interest income was driven primarily by the Company's lower average cash balance.

Discontinued operations

On May 24, 2011, UBS settled the action that was brought against UBS in respect of certain repairs to premises under a lease entered into by UBS in 1999. Under the terms of the settlement, in exchange for a full and final release, UBS agreed to pay the plaintiff damages totalling $600 in two installments. $450 was paid on May 24, 2011, $150 remains payable and will be settled during the CCAA claims process. A third party, against whom UBS had filed a third party claim for indemnification of certain damages, was also a party to the settlement arrangements and paid $85 to UBS on May 24, 2011. The net cash flow impact in fiscal 2011 totaled $365. Both the original action and the third party claim were dismissed without costs.

Loss and comprehensive loss

The loss and comprehensive loss for the year ended August 31, 2012 amounted to $2,024 or $0.020 per share (basic and diluted), compared with the loss and comprehensive loss of $1,724 or $0.017 per share on a fully diluted basis for the year ended August 31, 2011.

9. QUARTERLY FINANCIAL RESULTS

The table below sets out financial information for the past eight quarters, restated as applicable.

	Fiscal 2012				Fiscal 2011			
	Aug 31	May 31	Feb 29	Nov 30	Aug 31	May 31	Feb 28	Nov 30
Revenue[1]	$ -	$ 377	$ 434	$ 433	$ 434	$ 433	$ 499	$ 600
Operating expenses and restructuring charges / (recovery) before interest and equity interest in Look	(717)	734	1,281	323	262	1,447	(323)	844
Interest income / (loss)	(1)	6	1	2	5	6	8	5
Equity interest in Look's losses and dilution loss due to change in shareholding in Look	(535)	(423)	(399)	(298)	(14)	(338)	(371)	(246)
Income (loss) from continuing operations	181	(774)	(1,245)	(186)	163	(1,346)	459	(485)
Loss from discontinued operations[2]	-	-	-	-	(150)	(365)	-	-
Income (loss) for the period	181	(774)	(1,245)	(186)	13	(1,711)	459	(485)
Continuing operations								
Basic income(loss) per share	0.001	(0.007)	(0.012)	(0.002)	0.002	(0.013)	0.004	(0.005)
Diluted income(loss) per share	0.001	(0.007)	(0.012)	(0.002)	0.002	(0.013)	0.004	(0.005)
Discontinued operations								
Basic loss per share	-	-	-	-	(0.001)	(0.004)	-	-
Diluted loss per share	-	-	-	-	(0.001)	(0.004)	-	-
Income (loss) per share								
Basic	0.001	(0.007)	(0.012)	(0.002)	0.001	(0.017)	0.004	(0.005)
Diluted	0.001	(0.007)	(0.012)	(0.002)	0.001	(0.017)	0.004	(0.005)

[1] Revenue includes earnings pursuant to the Look MSA which expired on May 19, 2012.
[2] During the second quarter of fiscal 2004, UBS' divestiture of its Engineering and Manufacturing Business resulted in the reclassification of that business as "Discontinued operations" and, accordingly, all associated expenses are included in Discontinued operations.

10. LIQUIDITY AND CAPITAL RESOURCES

UBS held cash and cash equivalents of $1,635 as at August 31, 2012, compared with cash and cash equivalents of $945 at August 31, 2011 and $4,332 as at September 1, 2010. Cash and cash equivalents consist of all bank balances and, from time to time, highly liquid short-term guaranteed investment certificates and bankers' acceptances with original maturities of less than 90 days.

Cash used in continuing operating activities for the year ended August 31, 2012 was $2,049 compared to $3,022 for the year ended August 31, 2011. The change was due primarily to the higher loss incurred by UBS and the settlement of accounts payable and accrued liabilities during the year ended August 31, 2012, partially offset by the recovery of HST receivable.

There were no financing activities for the years ended August 31, 2012 and 2011.

Cash provided by investing activities, during the year ended August 31, 2012, related to the return of capital paid by Look of $0.05 for each multiple voting share and subordinate voting share held. UBS received $2,739 of Look's return of capital.

Under the original terms of the Look MSA, Look had been required to pay an annual fee of $2,400 to UBS. In September 2007, Look advanced $2,400 to UBS and, with effect from January 1, 2011, UBS expensed the advance, at approximately $145 per month, over the remaining term of the Look MSA, which expired on May 19, 2012 (see the section entitled "Significant events – Management Service Agreement with Look").

UBS has incurred operating losses and negative cash flows from operations in recent years and, as at August 31, 2012, UBS had a working capital deficiency of $2,181 (August 31, 2011 - $4,551). Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions to Look's shareholders and the outcomes of certain recent litigation (refer to the section entitled "Provisions and contingencies - Contingencies"). UBS will need to raise cash and/or receive further cash distributions from Look (refer to the section entitled "Overview – Significant events – Return of capital from Look") and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments giving rise to doubt about UBS' use of the going concern assumption (refer to the section entitled "Basis of presentation and going concern").

UBS' approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its current liabilities when due.

11. SHARE CAPITAL

As at August 31, 2012 and 2011, and September 1, 2010, UBS had 102,748 common shares and no Class-A non-voting shares issued and outstanding.

In determining diluted loss per share for years ended August 31, 2012 and 2011 the weighted average number of shares outstanding was not increased for stock options outstanding as no options were in the money.

As at November 29, 2012, there were no changes to the issued and outstanding shares or the options outstanding to acquire Common Shares.

12. STOCK BASED COMPENSATION

During the year ended August 31, 2012, no stock options were granted and 2,300 options expired (2011 – nil and 3,030). As at August 31, 2012, there were 7,286 options outstanding (August 31, 2011 - 9,588; September 1, 2010 – 12,618).

As a result of the restructuring process, there were no SAR units outstanding at September 1, 2010 and on November 24, 2010 UBS' Board of Directors cancelled the SAR Plan.

13. RELATED PARTY TRANSACTIONS

(a) Management Services Agreement with Look

Under the original terms of the Look MSA, Look had been required to pay an annual fee of $2,400 to UBS and, in September 2007, Look advanced a prepaid annual fee of $2,400. On December 3, 2010, Look and UBS agreed that, with effect from January 1, 2011, Look would draw down the prepayment at approximately $145 per month over the remaining term of the Look MSA, which expired on May 19, 2012. The cash flow impact of this amendment was a reduction of approximately $900 in fees from Look to UBS.

The base fee pursuant to the Look MSA earned by UBS during the years ended August 31, 2012 and 2011 amounted to $1,244 and $1,956 respectively and is reported as revenue.

(b) Rent of Milton premises

During the years ended August 31, 2012 and 2011, UBS subleased a portion of Look's premises in Milton for $12 and $61 respectively. The lease was on a month-to-month basis and terminated on September 30, 2012.

(c) CEO termination clause

On January 3, 2012, 2064818 Ontario Inc., which is a corporation controlled by Alex Dolgonos, acquired additional shares with the effect of increasing the indirect holdings of UBS over which Mr. Dolgonos exercises control and direction to greater than 20%, which triggered a "deemed" termination clause in the current CEO's employment agreement, triggering a lump sum payment of $200 in lieu of notice of termination and has been recorded in accrued liabilities.

(d) Related party accrued restructuring liabilities

UBS recorded related party transactions as follows:

	Accrued Restructuring Liabilities						
	Balance as at September 1, 2010	Interest accrued fiscal 2011[3]	Awards and interest reversed fiscal 2011[4]	Awards paid fiscal 2011[4]	Interest accrued fiscal 2012[3]	Awards and interest reversed fiscal 2012[2]	Balance as at August 31, 2012[5]
Jolian Investments Ltd. / McGoey[1]	$ 1,843	$ 56	$ -	$ -	$ 56	$ -	$ 1,957[6]
DOL Technologies Inc. / Dolgonos[2] - Settled	1,566	48	-	-	41	(1,155)	500[5]
Former UBS director - Douglas Reeson	476	14	-	-	15	-	505[6]
Former UBS director and CFO – settled	1,484	12	(1,297)	(199)	-	-	-
Total	$ 5,369	$ 130	$ (1,297)	$ (199)	$ 114	$ (1,155)	$ 2,962

[1] Jolian is a company controlled by Mr. McGoey, the former Chairman of the Board of Directors and former CEO of UBS. On July 5, 2010, the former Board of Directors, including Mr. McGoey, was removed by shareholders at a special meeting, which resulted in Jolian alleging a Company Default pursuant to the Jolian Management Services Agreement with UBS ("Jolian MSA") and a subsequent claim for, among other things, payment for termination of services and the outstanding accrued restructuring liability to Jolian (refer to the section entitled "Provisions and contingencies - Contingencies"). During the year ended August 31, 2012, 1,150 options granted to Mr. McGoey or Jolian expired and during the year ended August 31, 2011, 1,500 options expired.

[2] DOL is a company controlled by Mr. Dolgonos, the former Chief Technology Consultant of UBS. On July 6, 2012, UBS reached a settlement agreement with the Dolgonos Parties, which resulted in, among other things, a $1,030 reversal of the restructuring award and $125 in accrued interest, totalling $1,155, to restructuring charges. The remaining balance of $500 will be settled under the CCAA claims process.

[3] The interest on accrued restructuring liabilities due to related parties is charged to restructuring charges.

[4] On January 6, 2011, UBS settled the accrued restructuring award granted to the former CFO by the former Board of Directors and any other amount due under his employment agreement, for $330, which resulted in a reversal of $833 to restructuring charges in the second quarter of fiscal 2011. On February 16, 2011, UBS settled with a former director of UBS, which resulted in, among other things, a full reversal of his restructuring award, originally granted in June 2009 and accrued interest, totalling $464, to restructuring charges.

[5] The accrued restructuring liabilities due to related parties as at August 31, 2012 are payable upon, among other things, adequate cash resources being received by UBS. Payment of these amounts will be determined in the CCAA claims process.

[6] These amounts were approved in 2009 by the then Directors of UBS, and are currently the subject of dispute in the claims and counterclaims filed between UBS and the Plaintiff Group (refer to the section entitled "Provisions and contingencies – Contingencies").

Details of the accrued restructuring awards in UBS are set out below:

		Accrued restructuring liabilities						
UBS	SAR units relinquished	Equity accrual	Bonus accrual	Accrued interest	Awards declined	Awards reversed	Awards paid	Balance August 31, 2012
Jolian / McGoey	3,000	$ 600	$1,200	$ 157	$ -	$ -	$ -	$ 1,957
DOL / Dolgonos	3,000	330	1,200	125	-	1,155	-	500
Director – D. Reeson	1,650	465	-	40	-	-	-	505
Former UBS directors and CFO - settled	3,150	915	1,000	54	473	1,297	199	-
TOTAL	10,800	$ 2,310	$3,400	$ 376	$ 473	$ 2,452	$ 199	$ 2,962

14. PROVISIONS AND CONTINGENCIES

(a) Provisions

(i) Third party claim from an investment dealer

On June 6, 2005, an investment dealer filed a third party claim against UBS for indemnity for, amongst other things, costs of defending certain claims against it, resulting from litigation against that investment dealer by two shareholders of UBS. At a pre-trial conference on October 1, 2010, the parties to the main action and the third party claim settled all the claims with a contribution from UBS of $150 which was provided for at September 1, 2010 and paid during the first quarter of fiscal 2011.

(ii) Leased premises

On May 24, 2011, UBS settled the action that was brought against UBS in respect of certain repairs to premises under a lease entered into by UBS in 1999. Under the terms of the settlement, UBS agreed to pay the plaintiff damages totalling $600 in two installments. $450 was paid on May 24, 2011 and $150 was payable on January 15, 2012, and is subject to the claims process to be determined under CCAA. Under a counterclaim filed, UBS was awarded $85 on May 24, 2011 and received the funds on May 30, 2011. The net cash flow impact in fiscal 2011 totaled $365. Both the original action and the third party claim were dismissed without costs.

(b) Contingencies

(i) Jolian and Reeson claims

On July 12, 2010, Jolian served a statement of claim on UBS seeking approximately $8,610 plus applicable taxes and interest in respect of the Jolian management services agreement with UBS and certain contingent payments approved by the previous directors in 2009 (the "Jolian Claims"). Subsequently, a former director, Douglas Reeson, served a statement of claim on UBS seeking approximately $465 plus interest in respect of the contingent award approved and allocated to him by the previous directors of UBS during fiscal 2009 (the "Reeson Claim").

The Jolian and Reeson claims are disputed in the CCAA claims process and will be determined in those proceedings (refer to the section "Provisions and contingencies – Contingencies – CCAA").

(ii) Dolgonos Parties claims

On July 12, 2010, DOL served a statement of claim on UBS seeking approximately $7,545 plus interest in respect of the DOL management services agreement with UBS and certain contingent payments approved by the previous directors in 2009.

On December 23, 2010, the Dolgonos Parties served a statement of Claim on UBS and its then directors. These claims sought various relief, including the removal of the directors of UBS from its Board of Directors, the setting aside of the amendment to the Look MSA, or in lieu thereof, damages in the amount of $900, and restrictions on dilutive financing.

On February 2, 2012, UBS received a formal, unsolicited partial takeover bid offer (the "Offer") from the Dolgonos Parties for 10,000,000 common shares, for $0.08 per share.

On February 7, 2012, UBS served a motion in the proceedings under the CCAA seeking a determination as to whether the Offer by the Dolgonos Parties was stayed by the initial order made in the CCAA proceedings on July 5, 2011 and, if it was not, sought an order to stay the Offer. On March 5, 2012, the court determined not to stay the Offer and the Dolgonos Parties were permitted to proceed.

On July 6, 2012, UBS reached a settlement agreement with the Dolgonos Parties. Pursuant to the terms of the settlement:

- the approximately $8,000 in claims against UBS made by DOL were settled for a $500 claim, and payment of which will be settled under the CCAA claims process;
- all other claims and actions between the Dolgonos Parties, UBS and any UBS directors were dismissed, withdrawn and fully released without costs, with the exception of advances to counsel of $100 which were expensed in the fourth quarter of 2012;
- on July 13, 2012, the Offer was terminated. No payment was issued for any shares that had been tendered to date and such shares were returned, without expense, to the holders who tendered such shares.
- the Dolgonos Parties remained, in certain circumstances, entitled to assert claims for indemnification against UBS in respect of claims that were unknown as of the settlement date;
- UBS will not be precluded from taking or continuing proceedings against parties, other than the Dolgonos Parties, even if such other parties may assert third party or other claims against the Dolgonos Parties; and
- the Dolgonos Parties will not seek further representation on the board or management of UBS and will support the newly constituted board through to the completion of the CCAA process including with respect to the ongoing determination and defence of the remaining claims against UBS made by, among others, Jolian Investments Limited and Mr. Gerald McGoey.

(iii) CCAA

On July 5, 2011, the Ontario Superior Court made an Order under the CCAA and a subsequent Order on August 4, 2011 which, among other things, provided for a comprehensive stay of proceedings against UBS and that all disputed claims are to be determined in the CCAA proceedings. Subsequently the Monitor received proofs of claims from Jolian for $10,112, from former director Douglas Reeson for $585, and from DOL, which was reduced to $500 on July 6, 2012, pursuant to the settlement agreement between UBS and DOL.

Reference is made to the website of the Court Appointed Monitor supervising the CCAA proceedings www.duffandphelps.com (see "restructuring cases").

(iv) In the normal course of its operations, the Company may be subject to other litigation and claims.

(v) The Company indemnifies its directors, officers, consultants, and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

15. OPERATING RISKS AND UNCERTAINTIES

Management of capital

The Company determines capital to include shareholders' equity. The Company's overall strategy with respect to management of capital is to hold low-risk highly-liquid cash accounts.

The Company currently does not use other sources of financing that require fixed payments of interest and principal due to the lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee, under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period under its financial instruments is summarized as follows:

ACCOUNTS AND OTHER RECEIVABLES	August 31, 2012	August 31, 2011	September 1, 2010
Currently due	$ 33	$ 4	$ 3
Past due by 90 days or less and not impaired	19	17	-
Past due by greater than 90 days and not impaired	151	216	-
	$ 203	$ 237	$ 3

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 17, in normal circumstances.

The Company's financial liabilities are comprised of its accounts payable, accrued liabilities, accrued restructuring liabilities, accrued restructuring liabilities due to related parties and provisions, the contractual maturities of which are not determinable because it depends on the outcome of the CCAA claims process.

Interest rate risk

The Company had no significant exposure, as at August 31, 2012 and 2011, and September 1, 2010, to interest rate risk through its financial instruments.

16. IFRS transition

The Company's consolidated financial statements for the year ended August 31, 2012 were the Company's first financial statements prepared in accordance with IFRS as issued by the IASB. The policies set out in the section entitled "Summary of significant accounting policies", have been applied to all periods presented.

The Company has followed the recommendations in IFRS-1, First-time adoption of IFRS, in preparing its transitional statements, which are included in the Company's consolidated financial statements for the years ended August 31, 2012 and 2011.

(a) IFRS exemptions and choices

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has not adopted any optional exemptions.

In preparing its opening IFRS statement of financial position, the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the tables contained in note 19 of the Company's consolidated financial statements for the years ended August 31, 2012 and 2011, and the additional notes that accompany the tables.

Mandatory exceptions to retrospective application

Estimates: Hindsight was not used to create or revise estimates and accordingly the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

The adoption of IFRS has had no material impact on the cash flows of the Company and, as such, no reconciliation of prior period cash flow statements has been presented.

17. ADDITIONAL INFORMATION

Additional information regarding the Company's financial statements and corporate documents is available on SEDAR at www.sedar.com.

UNIQUE BROADBAND SYSTEMS, INC.

Shareholder Information

Board of Directors

Kenneth Taylor
Robert Ulicki (Chairman of the Board)
Victor Wells

Officers

Grant McCutcheon
Chief Executive Officer

C. Fraser Elliott
Chief Financial Officer

Auditors

Grant Thornton LLP
350 Burnhamthorpe Road West
Suite 401
Mississauga, Ontario
L5B 3J1

Shareholder inquiries

UBS Investor Relations
PO Box 10, Stn Main
Keswick, Ontario
L4P 3E1
email: irinfo@uniquebroadband.com

Transfer agent

Equity Transfer & Trust Company
200 University Avenue, Suite 400
Toronto, Ontario
M5H 4H1
Tel: (416) 361-0152
Fax: (416) 361-0470
email: irinfo@equitytransfer.com

Common shares

The common shares of the Company are listed on the TSX Venture Exchange under the symbol UBS.

This is Exhibit "B" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

Consolidated Financial Statements of

UNIQUE BROADBAND SYSTEMS, INC.

For the years ended August 31, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Unique Broadband Systems, Inc. (the "Company") and its subsidiaries and all the information in Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. The consolidated financial statements include certain amounts that are based on the best estimates and judgments of management and in their opinion present fairly, in all material respects, the Company's financial position, results of operations and cash flows. Management has prepared the financial information presented elsewhere in Management's Discussion and Analysis and has ensured that it is consistent with the consolidated financial statements.

Management of the Company is responsible for the internal controls that provide reasonable assurance that transactions are properly authorized and recorded, financial records are reliable and form a proper basis for the preparation of consolidated financial statements and that the Company's assets are properly accounted for and safeguarded.

The Board of Directors is responsible for overseeing management's responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility through its Audit and Corporate Governance Committee (the "Audit Committee").

The Audit Committee meets periodically with management, as well as with external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues; to satisfy itself that each party is properly discharging its responsibilities; and to review Management's Discussion and Analysis, the consolidated financial statements and the external auditors' report. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited by Grant Thornton LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. Grant Thornton LLP has full and free access to the Audit Committee.

(Signed) - *Grant McCutcheon*

Grant McCutcheon
Chief Executive Officer
November 29, 2012

(Signed) – *C. Fraser Elliott*

C. Fraser Elliott
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unique Broadband Systems, Inc.

We have audited the accompanying consolidated financial statements of Unique Broadband Systems, Inc., which comprise the consolidated statements of financial position as at August 31, 2012, August 31, 2011, and September 1, 2010, and the consolidated statements of loss and comprehensive loss, changes in shareholders equity, and cash flows for the years ended August 31, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Unique Broadband Systems, Inc. as at August 31, 2012, August 31, 2011, and September 1, 2010, and the results of its operations and its cash flows for the years ended August 31, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has a working capital deficiency at August 31, 2012 which, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants
Mississauga, Canada
November 29, 2012

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

As at

	August 31, 2012	August 31, 2011	September 1, 2010 (note 19)
Assets			
Current assets			
Cash and cash equivalents (note 4)	$ 1,635	$ 945	$ 4,332
Accounts receivable and other receivables (note 5)	203	237	3
Prepaid expenses and deposits (note 6)	675	948	608
	2,513	2,130	4,943
Restricted cash (note 4)	50	50	50
Investment in Look Communications Inc. (note 7)	7,011	11,405	12,564
	$ 9,574	$ 13,585	$ 17,557
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable	$ 601	$ 399	$ 30
Accrued liabilities (note 8)	981	885	284
Accrued restructuring liabilities (note 9)	-	-	696
Accrued restructuring liabilities due to related parties (note 9)	2,962	4,003	5,369
Provisions (note 16(a))	150	150	150
Deferred revenue (note 13(a))	-	1,244	2,400
	4,694	6,681	8,929
Shareholders' equity			
Share capital (note 10)	58,139	58,139	58,139
Share option reserve	3,235	3,235	3,235
Deficit (note 19)	(56,494)	(54,470)	(52,746)
	4,880	6,904	8,628
	$ 9,574	$ 13,585	$ 17,557

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board of Directors:

(Signed) – *Robert Ulicki*

Director

(Signed) – *Victor Wells*

Director

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share amounts)

For the years ended August 31,

	2012	2011
Revenue	$ 1,244	$ 1,956
Expenses		
Compensation (note 11)	636	731
General and administrative	2,026	2,305
Restructuring recovery (note 9)	(1,041)	(1,006)
	1,621	2,030
Loss for the year before the undernoted	(377)	(74)
Interest income	8	24
Equity interest in Look's losses (note 7)	(1,655)	(1,159)
Loss for the year from continuing operations	(2,024)	(1,209)
Loss for the year from discontinued operations	-	(515)
Loss and comprehensive loss for the year	$ (2,024)	$ (1,724)
Loss per share from continuing operations		
Basic and diluted	$ (0.020)	$ (0.012)
Loss per share from discontinued operations		
Basic and diluted	(0.000)	(0.005)
Loss per share		
Basic and diluted	(0.020)	(0.017)
Weighted average number of shares outstanding		
Basic and diluted	102,748	102,748

The accompanying notes are an integral part of the consolidated financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

	Share Capital (note 10) Shares	Share Capital (note 10) Amount	Share Option Reserve	Deficit	Total Shareholders' Equity
Balance, September 1, 2010	102,748	$ 58,139	$ 3,235	$(52,746)	$ 8,628
Net loss and comprehensive loss for the year	-	-	-	(1,724)	(1,724)
Balance, August 31, 2011	**102,748**	**$ 58,139**	**$ 3,235**	**$(54,470)**	**$ 6,904**
Net loss and comprehensive loss for the year	-	-	-	(2,024)	(2,024)
Balance, August 31, 2012	**102,748**	**$ 58,139**	**$ 3,235**	**$(56,494)**	**$ 4,880**

The accompanying notes are an integral part of the consolidated financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

For the years ended August 31,

	2012	2011
Cash flows from operating activities		
Net loss for the year	$ (2,024)	$ (1,724)
Less: Loss from discontinued operations for the year	-	515
Items not affecting cash		
Equity interest in Look's losses	1,655	1,159
Change in non-cash operating assets and liabilities		
Accounts receivable and other receivables	34	(234)
Prepaid expenses and deposits	273	(340)
Accounts payable and accrued liabilities	298	820
Accrued restructuring liabilities	-	(696)
Accrued restructuring liabilities due to related party	(1,041)	(1,366)
Deferred revenue	(1,244)	(1,156)
Cash used in continuing operating activities	(2,049)	(3,022)
Cash provided by investing activities		
Return of capital from Look	2,739	-
Cash used in discontinued operations	-	(365)
Increase (decrease) in cash and cash equivalents	690	(3,387)
Cash and cash equivalents, beginning of year	945	4,332
Cash and cash equivalents, end of year	$ 1,635	$ 945

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of operation and going concern

Unique Broadband Systems, Inc. is a publicly listed Canadian company that, effective May 25, 2010, has a 39.2% fully diluted equity interest in Look Communications Inc. ("Look") and other financial assets. References to "UBS" and the "Company" include the legal entity Unique Broadband Systems, Inc. and its wholly owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless").

In 2003, UBS transitioned from a technology company that designed, developed and manufactured broadband wireless equipment to a holding company when it acquired a controlling interest in Look, through share transactions and 7% secured convertible debentures issued by Look ("Debentures"), and sold its manufacturing business. This holding in Look's securities gave UBS a controlling 51.8% share of Look.

Following the announcement by Look in April 2010 that it intended to redeem all outstanding Debentures on May 25, 2010, the Debenture previously held by UBS Wireless was among the Debentures redeemed by Look and, as a result, effective May 25, 2010, UBS has a non-controlling 37.6% voting interest and a 39.2% economic interest in Look (note 7).

<u>Going concern</u>

The going concern basis of presentation assumes that UBS will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about UBS' use of the going concern assumption because, as at August 31, 2012, UBS has a working capital deficiency of $2,181 (August 31, 2011 - $4,551 and September 1, 2010 - $3,986). Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain litigation (note 16). UBS will need to raise cash and/or monetize assets, and/or receive further cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments, giving rise to doubt about UBS' use of the going concern assumption.

Notwithstanding the above, these consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying values and classifications of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

These consolidated financial statements were approved for issue by the Board of Directors on November 29, 2012.

2. Summary of significant accounting policies

(a) Statement of compliance

These are the Company's first consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies have been selected to be consistent with IFRS, as issued by the International Accounting Standards Board ("IASB"), as effective August 31, 2012. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented. They were also applied in the preparation of an opening IFRS statement of financial position as at September 1, 2010, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian GAAP to IFRS is explained in note 18.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis.

These consolidated financial statements include the accounts of Unique Broadband Systems, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. All inter-company transactions are eliminated on consolidation.

Investment in Look

UBS' actual share ownership in Look has fluctuated as Debentures previously issued by Look were converted into multiple and subordinate voting shares and interest obligations in connection with these Debentures were settled in subordinate voting shares. If all Debentures had been converted, UBS would have had the ability to control at least 51% of Look. As UBS had the ability to maintain control by converting these Debentures at any time, UBS consolidated its interest in Look.

However, following the redemption of Debentures by Look, UBS no longer had the ability to convert its Debentures and, as from the effective date of the redemption of Look's Debentures, May 25, 2010, UBS accounts for its 39.2% interest in Look using the equity method that reports UBS' equity participation in Look through the "equity interest in Look's income or loss" in the statement of loss and comprehensive loss.

2. **Summary of significant accounting policies (continued)**

(b) Basis of presentation (continued)

After the application of the equity method, the Company determines at each reporting date whether there is any objective evidence that the investment in Look is impaired and consequently whether it is necessary to recognize an additional impairment loss on the Company's investment in Look. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment in Look and its carrying value and recognizes the amount in the consolidated statement of loss and comprehensive loss.

CCAA proceedings

On July 5, 2011, UBS announced that it and UBS Wireless had commenced proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"). The court has made an order staying all proceedings against UBS and its directors until February 1, 2013. Duff & Phelps Canada Limited (the "Monitor") has been appointed as the Monitor of UBS. Further information with respect to the CCAA proceedings can be found on the Monitor's website at www.duffandphelps.com.

UBS has been successful in significantly reducing operating expenses, settling certain claims and obtaining the reversal of approximately $2,925 of awards, granted by UBS' prior board in 2009, and accrued interest. Notwithstanding these achievements, the approximately $10,000 in termination and other payments being pursued in claims against UBS involving Jolian Investments Ltd. ("Jolian"), Mr. McGoey, and Douglas Reeson (the "Plaintiff Group"), have precipitated the commencement of proceedings under the CCAA, which UBS views as the best course of action to preserve its assets.

On July 6, 2012, a settlement agreement was reached between UBS and its directors, and Mr. Alex Dolgonos, 2064818 Ontario Inc., 6138241 Canada Inc. and DOL Technologies Inc. (the "Dolgonos Parties") (note 16(b)(ii)).

The CCAA proceeding has been commenced to, among other things:

(i) facilitate the determination and compromise or arrangement of creditor claims against UBS;
(ii) permit UBS to propose a plan to realize value from its accumulated tax losses, public listing and other assets;
(iii) avert an imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from continuing to carry on business for the benefit of its stakeholders and defending the proceedings brought by the Plaintiff Group;
(iv) stay all payables owing by UBS; and
(v) provide a process to determine the claims being asserted against UBS by the Plaintiff Group in a more cost effective and expeditious manner.

2. **Summary of significant accounting policies (continued)**

(b) Basis of presentation (continued)

While under protection from its creditors, UBS' Board of Directors will continue to manage UBS. Should the stay period in the CCAA proceedings and any subsequent extensions thereof not be sufficient in duration or scope to allow UBS to complete its tasks as outlined above under the CCAA, and should UBS lose the protection of the stay of proceedings, creditors may immediately enforce their rights and remedies against UBS and its assets which would in all likelihood lead to liquidation proceedings.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with banks and highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition.

(d) Restricted cash

Restricted cash is held in an interest-bearing certificate with maturity of 90 days or less from the original date of acquisition, currently with an interest rate of 0.3%. Funds are restricted to secure the Company's credit card.

(e) Revenue recognition

Service revenue was comprised of base fees received by UBS from Look pursuant to the management services agreement ("Look MSA") entered into between UBS and Look on May 19, 2004 which expired on May 19, 2012. Service revenues in connection with the Look MSA included base fees payable on a monthly basis from Look to UBS.

Deferred revenue included payments received by UBS from Look in advance of future services pursuant to the Look MSA which expired on May 19, 2012.

(f) Financial instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held to maturity investments ("HTM"), or available for sale financial assets ("AFS"), as appropriate at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. A financial asset is derecognized when its contractual rights to the asset's cash flows expire or if substantially all the risks and rewards of the asset are transferred.

2. Summary of significant accounting policies (continued)

(f) Financial Instruments (continued)

Financial assets at FVTPL

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. Transaction costs are expensed as incurred. The Company has no assets at FVTPL.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivable. Accounts receivable are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost. Bad debts are written off during the period in which they are identified. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the consolidated statements of loss and comprehensive loss when the receivables are derecognized or impaired, as well as through the amortization process. The Company classifies cash and cash equivalents, restricted cash, accounts receivable and other receivables as loans and receivables.

Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

The carrying amount of all financial assets, excluding accounts receivable, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. Associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. Subsequent recoveries of amounts previously allowed for are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of loss and comprehensive loss.

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument asset or liability and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts or disbursements over the expected life of the financial asset or liability, or where appropriate, a shorter period. Income or expense is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate upon initial recognition. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to the initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. The Company's other financial liabilities include accounts payables, accrued restructuring liabilities, and accrued liabilities.

Financial liabilities are classified as FVTPL if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments (including separated embedded derivatives) unless they are designated as effective hedging instruments. Gains or losses on liabilities classified as FVTPL are recognized in the consolidated statement of loss and comprehensive loss. The Company does not have any liabilities at FVTPL.

Financial instruments carried at fair value

Financial instruments carried at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Summary of significant accounting policies (continued)

(g) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute deferred tax assets and liabilities are measured at future anticipated tax rates which have been enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

With certain exceptions, deferred tax assets and liabilities are provided on all qualifying temporary differences at the end of the reporting period between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(h) Provisions and contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency substantiated by confirming events can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

2. Summary of significant accounting policies (continued)

(i) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

(j) Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. The number of forfeitures likely to occur is estimated on grant date. Any consideration paid by directors, officers and employees on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the fair value of the goods and services on the date when the goods or services are received and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the fair value of the goods or services received from non-employees in exchange for the share-based payment cannot be reliably estimated, the fair value of the shares issued is measured by use of a Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. No share-based payments were made during fiscal 2012 and 2011.

(k) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

2. **Summary of significant accounting policies (continued)**

(k) Significant accounting judgments and estimates (continued)

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies. Factors considered in the assessment of the likelihood and value of the realizable deferred tax assets include the Company's forecast of the amount and timing of future net income before taxes, available tax planning strategies that could be implemented to realize the deferred tax assets and the remaining period of loss carry forwards.

Significant management judgment is also required in the determination of whether and the Company's investment in Look has been impaired. Factors included in this determination include Look's market value as well as factors effecting market value.

3. **Accounting standards issued but not yet effective**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

3. **Accounting standards issued but not yet effective (continued)**

IFRS 10 Consolidated Financial Statements ("IFRS 10") establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidated – Special Purpose Entities" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 11 Joint Arrangements ("IFRS 11") establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes the current IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 13 Fair Value Measurements ("IFRS 13") defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRS that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

4. **Cash and cash equivalents and restricted cash**

(a) Cash and cash equivalents

As at August 31, 2012, the Company held $1,635 of cash (August 31, 2011 - $945; September 1, 2010 - $4,332) and no cash equivalents.

(b) Restricted cash

As at August 31, 2012 and 2011, and September 1, 2010, UBS had restricted cash of $50 which was held in interest-bearing certificates at 0.3%.

(In thousands of Canadian dollars, except per share amounts)

5. Accounts receivable and other receivables

Accounts receivable and other receivables, as at August 31, 2012 and 2011, and September 1, 2010, are set out in the following table:

	August 31, 2012	August 31, 2011	September 1, 2010
GST/HST receivable	$ 120	$ 180	$ -
Legal retainer receivable[1]	37	37	-
Indemnity claims receivable[2]	30	-	-
Other receivables	16	20	3
Total	$ 203	$ 237	$ 3

[1] During the year ended August 31, 2011, as a result of a settlement agreement executed between the Company and a former director, $37 in legal retainers were reallocated from Prepaid expenses and deposits (note 6) to Accounts receivable.

[2] During the year ended August 31, 2012, the Company's insurance providers approved claims totaling $30.

6. Prepaid expenses and deposits

The Company's prepaid expenses and deposits, as at August 31, 2012 and 2011, and September 1, 2010, are summarized in the following table:

	August 31, 2012	August 31, 2011	September 1, 2010
2010 legal retainers[1]	$ 316	$ 446	$ 564
Legal retainer[2]	201	286	-
CCAA retainers[3]	50	100	-
Other	108	116	44
Total	$ 675	$ 948	$ 608

[1] During June, 2010, the former Board of Directors of UBS received a letter signed by each of UBS' directors, officers and consultants advising UBS that they sought, and were entitled to, indemnification under their Indemnity Agreements and article 7 of the By-Laws of UBS for, among other things, ongoing legal expenses for lawyers that had been retained to advise them on indemnity matters. Subsequently, $570 was placed on retainer by UBS with various legal firms. As at August 31, 2012, UBS has been advised that the amounts on retainer had been drawn down by a total of approximately $198. $19 was returned to UBS as a result of a settlement agreement executed between UBS and the former CFO. $37 is due to be returned to UBS as a result of a settlement agreement executed between UBS and a former director and is reflected in accounts receivable and other receivables (note 5). As a result, it is estimated that approximately $316 remains on retainer as at August 31, 2012.

[2] Funds totaling $330 were placed on retainer with a legal firm on February 24, 2011 for, among other things, legal advice with regard to ongoing litigation. As at August 31, 2012, approximately $129 was expensed and $201 remained on retainer.

[3] Funds totaling $100 were placed on retainer with legal firms on June 27, 2011 for, among other things, legal advice with regard to UBS' commencement of proceedings under CCAA. As at August 31, 2012, approximately $50 was expensed and $50 remained on retainer.

(In thousands of Canadian dollars, except per share amounts)

7. Look Investment

(a) Return of capital from Look

On March 13, 2012, Look announced that it paid $6,985 to the holders of its multiple voting shares and subordinate voting shares as a return of capital equivalent to $0.05 for each outstanding multiple voting share and subordinate voting share. UBS received $2,739 of Look's return of capital.

(b) Investment in Look

As at August 31, 2012, UBS Wireless held 24,864 Multiple Voting Shares and 29,921 Subordinate Voting Shares in Look representing a 39.2% economic interest and a 37.6% voting interest in Look. UBS acquired its shareholding in Look through a series of transactions and the receipt of shares in lieu of interest on its Debentures.

UBS' 39.2% interest in Look's equity of $17,890, as at August 31, 2012, amounted to $7,011 (August 31, 2011 - $29,098 and $11,405 respectively; September 1, 2010 - $32,053 and $12,564 respectively) is set out in the table below:

Investment in Look as at September 1, 2010	$ 12,564
Cumulative equity interest in Look's losses for fiscal 2011	(1,159)
Investment in Look as at August 31, 2011	$ 11,405
Return of capital from Look	(2,739)
Cumulative equity interest in Look's losses for fiscal 2012	(1,655)
Investment in Look as at August 31, 2012	$ 7,011

An analysis of UBS' interest in the post acquisition income and losses of Look is as follows:

Cumulative equity interest in Look's income as at September 1, 2010	$ 635
Equity interest in Look's losses for fiscal 2011	(1,159)
Equity interest in Look's losses for fiscal 2012	(1,655)
Cumulative equity interest in Look's losses as at August 31, 2012	$ (2,179)

(In thousands of Canadian dollars, except per share amounts)

7. **Look Investment (continued)**

(b) Investment in Look (continued)

Look's consolidated balance sheets as at August 31, 2012 and 2011, and September 1, 2010 are set out below:

	August 31, 2012	August 31, 2011	September 1, 2010
ASSETS			
Total current assets	$ 18,805	$ 30,406	$ 31,505
Property and equipment	-	-	1,738
	$ 18,805	$ 30,406	$ 33,243
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Total current liabilities	$ 915	$ 1,310	$ 1,190
Shareholders' equity			
Share capital	27,499	34,484	34,484
Deficit	(9,609)	(5,388)	(2,431)
Total shareholders' equity	17,890	29,096	32,053
	$ 18,805	$ 30,406	$ 33,243

Look's market capitalization, based on the closing share prices of its multiple and subordinate voting shares as at August 31, 2012 of $0.120 and $0.075 respectively, was $13,455 (August 31, 2011 - $0.130 and $0.130 respectively - $18,161; September 1, 2010 - $0.155 and $0.170 respectively - $22,757).

On June 3, 2011, Look sold its land and building in Milton, Ontario for aggregate consideration of $3,050.

Look continues to pursue opportunities to realize the value of its tax attributes of approximately $166,118.

(c) Change of Look to NEX listed company

On February 3, 2011, Look received notice from the TSX Venture Exchange (the "Exchange") that, in accordance with its Continued Listing Requirements outlined in Exchange Policy 2.5, Look no longer met the tests related to having a significant interest in a business or primary asset used to carry on business. Effective May 9, 2011, the Exchange issued a bulletin reclassifying Look to Tier 2 and placed Look on notice to transfer to NEX, subject to Look making a submission that it met all Tier 2 Continued Listing Requirements.

(In thousands of Canadian dollars, except per share amounts)

7. Look Investment (continued)

(c) Change of Look to NEX listed company (continued)

In accordance with TSX Venture Policy 2.5, Look did not maintain the requirements for a TSX Venture Tier 2 company. Therefore, effective November 25, 2011, Look's listing was transferred to NEX, Look's Tier classification changed from Tier 2 to NEX, and the Filing and Service Office changed from Montreal to NEX. As of November 25, 2011, Look is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies.

The trading symbol for Look's multiple voting shares changed from LOK to LOK.H. The trading symbol for Look's subordinate voting shares changed from LOK.A to LOK.K. There is no change in Look's name, in its CUSIP number and consolidation of capital. The symbol extensions differentiate NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market.

8. Accrued liabilities

The Company's accrued liabilities, as at August 31, 2012 and 2011, and September 1, 2010, are summarized in the following table:

	August 31, 2012	August 31, 2011	September 1, 2010
Legal expenses[1]	$ 619	$ 750	$ -
Professional expenses[2]	129	114	113
Settlement accruals[3]	-	-	150
Board fees[4]	21	21	21
Compensation accruals[5]	200	-	-
Other	12	-	-
Total	$ 981	$ 885	$ 284

[1] Legal expenses include an estimate of the costs relating to the claims of certain members of the Plaintiff Group for payments under certain management services agreements and are subject to determination in the CCAA claims process (note 2(b)).
[2] Includes costs associated with the Company's audit, tax reporting and Annual General Meeting requirements
[3] Includes accrued expenses in connection with the settlement of leased premises (note 16(a)(ii)).
[4] Includes accrued board fees payable to certain members of the Plaintiff Group which are subject to determination in the CCAA claims process.
[5] Refer to Note 13(c).

(In thousands of Canadian dollars, except per share amounts)

9. Restructuring

On May 5, 2009, UBS announced the sale of its wireless spectrum to Inukshuk Wireless Partnership and commenced the restructuring of its operations. In June 2009, UBS recorded contingent awards, approved and allocated by its then directors, as human resource restructuring costs and these, along with other restructuring costs, are set out in the following tables:

Accrued restructuring liabilities	Contract termination, special meeting and legal charges	Human resource restructuring charges	Total restructuring amounts
Balance as at September 1, 2010	$ 664	$ 32	$ 696
Expensed in fiscal 2011	154	-	154
Paid in fiscal 2011	(618)	(32)	(650)
Balance as at August 31, 2011 and 2012	$ -	$ -	$ -

Accrued restructuring liabilities due to related parties[1]	Legal charges	Human resource restructuring charges	Total restructuring amounts
Balance as at September 1, 2010	$ -	$ 5,369	$ 5,369
Expensed in fiscal 2011	7	130	137
Paid in fiscal 2011	(7)	(199)	(206)
Reversal of accrual in fiscal 2011	-	(1,297)	(1,297)
Balance as at August 31, 2011	$ -	$ 4,003	$ 4,003
Expensed in fiscal 2012	-	114	114
Reversal of accrual in fiscal 2012	-	(1,155)	(1,155)
Balance as at August 31, 2012	$ -	$ 2,962	$ 2,962

[1] See note 13(d).

During the year ended August 31, 2012, UBS expensed $114 in accrued interest on the awards due to related parties, and recovered $1,155 of restructuring charges.

On July 6, 2012, UBS settled the accrued restructuring award granted to the Dolgonos Parties, which resulted in, among other things, a $1,030 reversal of the restructuring award originally granted in June 2009 and $125 in accrued interest, totalling $1,155, to restructuring charges. The remaining balance of $500 will be settled under the CCAA claims process (note 2(b)).

During the year ended August 31, 2011, UBS expensed $291, paid $1,056 and recovered $1,297 of restructuring charges. Of the $291 expensed in fiscal 2011, $161 related primarily to professional fees and consulting expenses and the balance related mainly to accrued interest on the awards due to related parties.

On January 6, 2011, UBS settled the accrued restructuring award granted to the former Chief Financial Officer ("CFO") by the former Board of Directors and any other amount due under his employment agreement, for $330, which resulted in a reversal of $833 to restructuring charges.

9. **Restructuring (continued)**

On February 16, 2011, UBS settled the accrued restructuring award granted to a former director of UBS, which resulted in, among other things, a full reversal of the restructuring award originally granted in June 2009 and accrued interest, totalling $464, to restructuring charges.

10. **Share capital**

(a) **Authorized**

Unlimited common shares – No par value. Entitled to one vote for each share.

Unlimited Class A non-voting shares – Class A shares can be converted into common shares on a one-for-one basis if such holder provides to the Company satisfactory written evidence. The Class A shares are identical to the common shares in all material respects with the exception of the right to vote at meetings of the Company's shareholders.

(b) **Issued and outstanding**

As at August 31, 2012 and 2011, and September 1, 2010, UBS had 102,748 common shares and no Class A non-voting shares issued and outstanding, totalling $58,139.

(c) **Share appreciation rights plan**

As a result of the restructuring process, there were no SAR units outstanding as at August 31, 2010. On November 24, 2010, UBS' Board of Directors cancelled the SAR Plan.

(d) **Stock option incentive plan**

UBS' stock option plan (the "Option Plan") provides for the granting of stock options to employees, directors and consultants of UBS. Under the Option Plan, up to 19,765 common shares may be issued from treasury. The exercise price of the options is determined by the Board of Directors at the time of the grant of an option, but cannot be lower than the closing market price of UBS' shares on the business day immediately preceding the day on which an option is granted. In the absence of terms specifying otherwise, options vest annually over a three-year period and are exercisable during a period not to exceed 10 years from such grant.

10. Share capital (continued)

(d) Stock option incentive plan (continued)

The following table reflects activity under the Option Plan:

	Number of options	Weighted average exercise price (restated)
Outstanding as at September 1, 2010	12,616	$ 0.27
Expired during fiscal 2011	(3,030)	0.17
Balance as at August 31, 2011	9,586	0.32
Expired during fiscal 2012	(2,300)	0.47
Balance as at August 31, 2012	7,286	$ 0.27

A summary of the status of the Option Plan, as at August 31, 2012, is as follows:

Exercise price	Options outstanding and exercisable August 31, 2012 (in thousands)	Weighted average remaining contractual life
$ 0.44	86	0.90 years
$ 0.16	100	1.22 years
$ 0.18	100	1.22 years
$ 0.15	1,000	7.00 years
$ 0.32	1,000	1.70 years
$ 0.44	1,000	0.90 years
$ 0.15	2,000	7.00 years
$ 0.34	2,000	1.70 years
	7,286	1.97 years

During the year ended August 31, 2012, no stock options were granted and 2,300 options expired (2011 – nil and 3,030). As at August 31, 2012, there were 7,286 options outstanding (August 31, 2011 – 9,586; September 1, 2010 – 12,616).

11. Compensation

During the year ended August 31, 2012, the Company expensed $636 in compensation (2011 - $731), which included $450 in key management compensation (2011 - $477). Included in the fiscal 2012 compensation expense was a $200 lump sum payable to the CEO (note 13(c)).

12. Segment disclosure

The recorded revenues for the years ended August 31, 2012 and 2011 were pursuant to the Look MSA which expired on May 19, 2012 (note 13(a)) and were drawn down from deferred.

All of the Company's revenue was generated in Canada and all of its assets are located in Canada.

13. Related party transactions

(a) Management Services Agreement with Look

Under the original terms of the Look MSA, Look had been required to pay an annual fee of $2,400 to UBS and, in September 2007, Look advanced a prepaid annual fee of $2,400. On December 3, 2010, Look and UBS agreed that, with effect from January 1, 2011, Look would draw down the prepayment at approximately $145 per month over the remaining term of the Look MSA, which expired on May 19, 2012. The cash flow impact of this amendment was a reduction of approximately $900 in fees from Look to UBS.

The base fee pursuant to the Look MSA earned by UBS during the years ended August 31, 2012 and 2011 amounted to $1,244 and $1,956 respectively and is reported as revenue (note 12).

(b) Rent of Milton premises

During the years ended August 31, 2012 and 2011, UBS subleased a portion of Look's premises in Milton for $12 and $61 respectively. The lease was on a month-to-month basis and terminated on September 30, 2012.

(c) CEO termination clause

On January 3, 2012, 2064818 Ontario Inc., which is a corporation controlled by Alex Dolgonos, acquired additional shares with the effect of increasing the indirect holdings of UBS over which Mr. Dolgonos exercises control and direction to greater than 20%, which triggered a "deemed" termination clause in the current CEO's employment agreement, triggering a lump sum payment of $200 in lieu of notice of termination and has been recorded in accrued liabilities.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Consolidated Financial Statements
(In thousands of Canadian dollars, except per share amounts)
For the years ended August 31, 2012 and 2011

13. Related party transactions (continued)

(d) Related party accrued restructuring liabilities

UBS recorded related party transactions as follows:

	Accrued Restructuring Liabilities						
	Balance as at September 1, 2010	Interest accrued fiscal 2011[3]	Awards & Interest reversed fiscal 2011[4]	Awards paid fiscal 2011[4]	Interest accrued fiscal 2012[3]	Awards & Interest reversed fiscal 2012[2]	Balance as at August 31, 2012[5]
Jollan Investments Ltd. /McGoey[1]	$ 1,843	$ 58	$ -	$ -	$ 58	$ -	$ 1,867[6]
DOL Technologies Inc. /Dolgonos[2] – settled	1,586	48	-	-	41	(1,155)	500[2]
Former UBS director – Douglas Reeson	476	14	-	-	15	-	505[6]
Former UBS director and CFO – settled	1,464	12	(1,297)	(189)	-	-	-
Total	$ 6,369	$ 130	$ (1,297)	$ (189)	$ 114	$ (1,155)	$ 2,902

[1] Jollan is a company controlled by Mr. McGoey, the former Chairman of the Board of Directors and former CEO of UBS.
On July 5, 2010, the former Board of Directors, including Mr. McGoey, was removed by shareholders at a special meeting, which resulted in Jollan alleging a Company Default pursuant to the Jollan Management Services Agreement with UBS ("Jollan MSA") and a subsequent claim for, among other things, payment for termination of services and the outstanding accrued restructuring liability to Jollan (note 16(b)(i)).
During the year ended August 31, 2012, 1,150 options granted to Mr. McGoey or Jollan expired and during the year ended August 31, 2011, 1,500 options expired.

[2] DOL is a company controlled by Mr. Dolgonos, the former Chief Technology Consultant of UBS.
On July 6, 2012, UBS reached a settlement agreement with the Dolgonos Parties, which resulted in, among other things, a $1,030 reversal of the restructuring award and $125 in accrued interest, totalling $1,155, to restructuring charges. The remaining balance of $500 will be settled under the CCAA claims process.

[3] The interest on accrued restructuring liabilities due to related parties is charged to restructuring charges.

[4] On January 6, 2011, UBS settled the accrued restructuring award granted to the former CFO by the former Board of Directors and any other amount due under his employment agreement, for $330, which resulted in a reversal of $833 to restructuring charges in the second quarter of fiscal 2011. On February 16, 2011, UBS settled with a former director of UBS, which resulted in, among other things, a full reversal of his restructuring award, originally granted in June 2009 and accrued interest, totalling $464, to restructuring charges.

[5] The accrued restructuring liabilities due to related parties as at August 31, 2012 are payable upon, among other things, adequate cash resources being received by UBS. Payment of these amounts will be determined in the CCAA claims process.

[6] These amounts were approved in 2009 by the then Directors, and are currently the subject of dispute in the claims and counterclaims filed between UBS and the Plaintiff Group (note 16(b)).

(In thousands of Canadian dollars, except per share amounts)

14. Income taxes

The effective income tax rate differs from the statutory rate that would be obtained by applying the combined Canadian basic federal and provincial income tax rate to loss before income taxes. These differences result from the following items:

	2012	2011
Loss before income taxes	$ (2,024)	$ (1,723)
Combined basic federal and provincial tax rates	28.96%	30.67%
Computed expected tax recovery	(586)	(528)
Increase resulting from:		
Impact due to change in future tax rates	(486)	26
Current year loss and other differences not-recognized	824	1,008
Non-deductible items	248	(506)
	$ -	$ -

The statutory income tax rate was 28.96% for 2012 compared to 30.67% for 2011. The decrease in the statutory rate was a result of reductions in the federal and provincial Canadian income tax rates.

The amount of deductible temporary differences and unused tax losses for which no deferred income tax assets have been recognized are as follows:

	2012	2011
Non-capital loss carryforwards	$ 22,202	$ 19,012
SRED pool carryforwards	11,545	11,545
Capital loss carryforwards	22,555	22,555
Non-tax deductible reserves	3,408	5,446
	$ 59,710	$ 58,558

Non-capital loss carry forwards expire between 2014 and 2032 while SRED pool and capital loss carry forwards do not expire.

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, the character of the deferred income tax assets and available tax planning strategies in making this assessment.

(In thousands of Canadian dollars, except per share amounts)

14. Income taxes (continued)

UBS has the following federal non-capital income tax losses, which may be carried forward to reduce future year's taxable income. These losses will expire in the taxation years ending May 31 as follows:

2014	$ 8,527
2015	1,001
2027	2,215
2028	423
2029	1,626
2030	1,656
2031	5,134
2032	1,620
	$ 22,202

To the extent that there are differences between the carrying and tax values of the investment in Look, non-capital losses are available to reduce taxable income that would result from a sale of this investment.

15. Discontinued operations

GPV Elbau Electronics A/S vs UBS

Certain claims were filed against UBS in connection with UBS Technologies A/S (formerly ProTeleVision Technologies A/S), its Danish subsidiary that was petitioned into bankruptcy in early 2003. On June 17, 2011, judgment was given in favour of UBS and GPV Elbau Electronics A/S has paid legal costs to UBS in the amount of DKK 100 (approximately $19).

16. Provisions and contingencies

(a) Provisions

(i) Third party claim from an investment dealer

On June 8, 2005, an investment dealer filed a third party claim against UBS for indemnity for, amongst other things, costs of defending certain claims against it, resulting from litigation against that investment dealer by two shareholders of UBS. At a pre-trial conference on October 1, 2010, the parties to the main action and the third party claim settled all the claims with a contribution from UBS of $150 which was provided for at September 1, 2010 and paid during the first quarter of fiscal 2011.

16. **Provisions and contingencies (continued)**

(a) **Provisions (continued)**

(ii) Leased premises

On May 24, 2011, UBS settled the action that was brought against UBS in respect of certain repairs to premises under a lease entered into by UBS in 1999.

Under the terms of the settlement, UBS agreed to pay the plaintiff damages totalling $600 in two installments. $450 was paid on May 24, 2011 and $150 was payable on January 15, 2012, and is subject to the claims process to be determined under CCAA. Under a counterclaim filed, UBS was awarded $85 on May 24, 2011 and received the funds on May 30, 2011. The net cash flow impact in fiscal 2011 totaled $365. Both the original action and the third party claim were dismissed without costs.

(b) **Contingencies**

(i) Jolian and Reeson claims

On July 12, 2010, Jolian served a statement of claim on UBS seeking approximately $8,610 plus applicable taxes and interest in respect of the Jolian management services agreement with UBS and certain contingent payments approved by the previous directors in 2009 (the "Jolian Claims"). Subsequently, a former director, Douglas Reeson, served a statement of claim on UBS seeking approximately $465 plus interest in respect of the contingent award approved and allocated to him by the previous directors of UBS during fiscal 2009 (the "Reeson Claim").

The Jolian and Reeson claims are disputed in the CCAA claims process and will be determined in those proceedings (note 16(b)(iii)).

(ii) Dolgonos Parties claims

On July 12, 2010, DOL served a statement of claim on UBS seeking approximately $7,545 plus interest in respect of the DOL management services agreement with UBS and certain contingent payments approved by the previous directors in 2009.

On December 23, 2010, the Dolgonos Parties served a statement of Claim on UBS and its then Directors (the "206 Claims"). These claims sought various relief including the removal of the directors of UBS from its Board of Directors, the setting aside of the amendment to the Look MSA, or in lieu thereof, damages in the amount of $900, and restrictions on dilutive financing.

16. Provisions and contingencies (continued)

(b) Contingencies (continued)

(ii) Dolgonos Parties claims (continued)

On July 6, 2012, the DOL Claims and 206 Claims were settled. Pursuant to the terms of the settlement, approximately $8,000 in claims against UBS made by the Dolgonos Parties were settled for a claim of $500, the payment of which will be determined under the CCAA proceedings. All other claims and actions between the Dolgonos Parties, UBS and the UBS directors were dismissed, withdrawn and fully released without costs, with the exception of advances to counsel of $100 which were expensed in the fourth quarter of fiscal 2012.

(iii) CCAA

On July 5, 2011, the Ontario Superior Court made an Order under the CCAA and a subsequent Order on August 4, 2011 which, among other things, provided for a comprehensive stay of proceedings against UBS and that all disputed claims are to be determined in the CCAA proceedings. Subsequently the Monitor received proofs of claims from Jolian for $10,112, from former director Douglas Reeson for $585, and from DOL, which was reduced to $500 on July 6, 2012, pursuant to the settlement agreement between UBS and DOL.

Reference is made to the website of the Court Appointed Monitor supervising the CCAA proceedings www.duffandphelps.com (see "restructuring cases").

(iv) In the normal course of its operations, the Company may be subject to other litigation and claims.

(v) The Company indemnifies its directors, officers, consultants, and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

17. Management of capital

The Company determines capital to include shareholders' equity. The Company's overall strategy with respect to management of capital is to hold low-risk highly-liquid cash accounts.

The Company currently does not use other sources of financing that require fixed payments of interest and principal due to the lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

(In thousands of Canadian dollars, except per share amounts)

18. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee, under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period under its financial instruments is summarized as follows:

	August 31, 2012	August 31, 2011	September 1, 2010
Accounts and other receivables			
Currently due	$ 33	$ 4	$ 3
Past due by 90 days or less not impaired	19	17	-
Past due by greater than 90 days not impaired	151	216	-
	$ 203	$ 237	$ 3

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 17, in normal circumstances.

The Company's financial liabilities are comprised of its accounts payable, accrued liabilities, accrued restructuring liabilities, accrued restructuring liabilities due to related parties and provisions, the contractual maturities of which are not determinable because it depends on the outcome of the CCAA claims process.

Interest rate risk

The Company had no significant exposure, as at August 31, 2012 and 2011, and September 1, 2010, to interest rate risk through its financial instruments.

19. IFRS transition

The Company's consolidated financial statements for the year ended August 31, 2012 are the Company's first financial statements prepared in accordance with IFRS as issued by the IASB. The policies set out in note 2, "Summary of significant accounting policies", have been applied to all periods presented.

The Company has followed the recommendations in IFRS-1 First-time adoption of IFRS, in preparing its transitional statements.

(a) IFRS exemptions and choices

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has not adopted any optional exemptions.

In preparing its opening IFRS statement of financial position, the Company has adjusted certain amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the additional notes that accompany the tables.

Mandatory exceptions to retrospective application

Estimates: Hindsight was not used to create or revise estimates and accordingly the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

(In thousands of Canadian dollars, except per share amounts)

19. IFRS transition (continued)

(b) Reconciliation from Canadian GAAP to IFRS

The adoption of IFRS has had no material impact on the cash flows of the Company and, as such, no reconciliation of prior period cash flow statements has been presented.

(i) The reconciliation between Canadian GAAP and IFRS consolidated statement of financial position as at September 1, 2010 (date of transition to IFRS) is provided below:

September 1, 2010	Canadian GAAP	Effect of Transition	IFRS
Assets			
Current assets			
Cash and cash equivalents	$ 4,332	$ -	$ 4,332
Accounts receivable and other receivables	3	-	3
Prepaid expenses and deposits	608	-	608
	4,943	-	4,943
Restricted cash	50	-	50
Investment in Look Communications Inc.	12,564	-	12,564
	$ 17,557	$ -	$ 17,557
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable	$ 30	$ -	$ 30
Accrued restructuring liabilities	696	-	696
Accrued restructuring liabilities due to related party	5,369	-	5,369
Accrued liabilities[1]	434	(150)	284
Provisions[1]	-	150	150
Deferred revenue	2,400	-	2,400
	8,929	-	8,929
Shareholders' equity			
Share capital	58,139	-	58,139
Share option reserve[2]	-	3,235	3,235
Contributed surplus[2]	3,235	(3,235)	-
Deficit	(52,746)	-	(52,746)
	8,628	-	8,628
	$ 17,557	$ -	$ 17,557

[1] IFRS transition requires provisions to be reallocated from accrued liabilities. The $150 provision at September 1, 2010 pertained to the third party settlement (note 18(a)(i)).
[2] On transition to IFRS, the Company transferred the amount of contributed surplus to share option reserve mainly because there were options outstanding on the transition date.

(In thousands of Canadian dollars, except per share amounts)

19. IFRS transition (continued)

(b) Reconciliation from Canadian GAAP to IFRS (continued)

(ii) The reconciliation between Canadian GAAP and IFRS consolidated statement of financial position as at August 31, 2011 is provided below:

August 31, 2011	Canadian GAAP	Effect of Transition	IFRS
Assets			
Current assets			
Cash and cash equivalents	$ 945	$ -	$ 945
Accounts receivable and other receivables	237	-	237
Prepaid expenses and deposits	948	-	948
	2,130	-	2,130
Restricted cash	50	-	50
Investment in Look Communications Inc.	11,405	-	11,405
	$ 13,585	$ -	$ 13,585
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable	$ 399	$ -	$ 399
Accrued restructuring liabilities due to related party	4,003	-	4,003
Accrued liabilities[1]	1,035	(150)	885
Provisions[1]	-	150	150
Deferred revenue	1,244	-	1,244
	6,681	-	6,681
Shareholders' equity			
Share capital	58,139	-	58,139
Share option reserve[2]	-	3,235	3,235
Contributed surplus[2]	3,235	(3,235)	-
Deficit	(54,470)	-	(54,470)
	6,904	-	6,904
	$ 13,585	$ -	$ 13,585

[1] IFRS transition requires provisions to be reallocated from accrued liabilities. The $150 provision at August 31, 2011 pertained to the settlement of leased premises (note 16(a)(iii)).
[2] On transition to IFRS, the Company transferred the amount of contributed surplus to share option reserve mainly because there were options outstanding on the transition date.

(In thousands of Canadian dollars, except per share amounts)

19. IFRS transition (continued)

(b) Reconciliation from Canadian GAAP to IFRS (continued)

(iii) The reconciliation between Canadian GAAP and IFRS consolidated statement of loss and comprehensive loss for the year ended August 31, 2011 is provided below:

August 31, 2011	Canadian GAAP	Effect of Transition	IFRS
Revenue	$ 1,956	$ -	$ 1,956
Expenses			
Compensation[1]	-	731	731
General and administrative	3,038	(731)	2,306
Restructuring charges (recovery)	(1,006)	-	(1,006)
	2,030	-	2,030
Loss before the undernoted	(74)	-	(74)
Interest income	24	-	24
Equity interest in Look's losses	(1,159)	-	(1,159)
Loss for the year from continuing operations	(1,209)	-	(1,209)
Loss for the year from discontinued operations	(515)	-	(515)
Loss and comprehensive loss for the year	$ (1,724)	$ -	$ (1,724)

[1] On conversion to IFRS, compensation was reclassified from general and administrative expenses to compensation. During the year ended August 31, 2011, the Company expensed $731 in compensation, which included $477 in key management expense.

20. Subsequent events

Commencement of sales process for Look shares

On November 9, 2012, the Ontario Superior Court of Justice made an order approving a process by which UBS will seek offers for the purchase of all or part of their 24,846 multiple voting shares and 29,921 subordinate voting shares of Look. The sales process will be run by Duff & Phelps Canada Restructuring Inc. in its capacity as Monitor of UBS under the Companies Creditors' Arrangement Act.

A special committee, comprising Victor Wells and Kenneth Taylor who are directors of UBS, will review and consider all offers, and will determine the successful offer, if any. UBS is under no obligation to accept the highest and best offer, or any offer, acting reasonably. Any transaction for the sale of the Look shares will be subject to approval by the court. All offers must be structured on a basis that is exempt from the prospectus requirements of applicable securities laws. Depending on, among other things, the price being offered and the percentage of Look shares being purchased, the successful bidder, if any, may be required to make an offer to purchase the shares of all other shareholders of Look under applicable securities laws.

This is Exhibit "C" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

Interim Unaudited Consolidated Financial Statements of

UNIQUE BROADBAND SYSTEMS, INC.

Three and nine months ended May 31, 2010 and 2009

Unique Broadband Systems, Inc.

8250 Lawson Road
Milton, Ontario
L9T 5C6
Tel: (905) 660-8100 (Fax): (905) 669-0785

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim unaudited consolidated financial statements of the Company for the interim period ending May 31, 2010 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

UNIQUE BROADBAND SYSTEMS, INC.

Interim Unaudited Consolidated Balance Sheets
(In thousands of dollars)

As at

		May 31, 2010		August 31, 2009
Assets				
Current assets:				
Cash and cash equivalents (note 6)	$	5,496	$	17,389
Accounts receivable and other receivables		56		297
Short-term receivable due from Inukshuk (note 3)		-		50,000
Inventory		-		40
Prepaid expenses and deposits		129		365
		5,683		68,091
Restricted cash (note 6)		50		430
Property and equipment		-		1,995
Investment in Look (note 5)		13,107		-
	$	18,840	$	70,516
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable	$	396	$	1,112
Accrued restructuring liabilities (note 4)		-		2,314
Accrued restructuring liabilities due to related parties (notes 4 and 11)		5,807		22,834
Accrued liabilities and provisions		311		4,631
Long-term debt, due within one year		-		1,800
Current portion of liability component of convertible debentures (note 7)		-		14
Deferred revenue (note 11)		2,400		-
		8,914		32,805
Liability component of convertible debentures (note 7)		-		917
Non-controlling interest (note 8)		-		21,940
Shareholders' equity:				
Share capital (note 9)		58,139		58,139
Contributed surplus		3,237		3,459
Deficit		(51,450)		(46,744)
		9,926		14,854
Basis of presentation and going concern (note 1)				
Contingencies (note 14)				
Subsequent events (note 19)				
	$	18,840	$	70,516

See accompanying notes to interim unaudited consolidated financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Interim Unaudited Consolidated Statements of Operations and Deficit
(In thousands, except per share amounts)

Three and nine months ended May 31, 2010 and 2009

		Three months ended May 31,			Nine months ended May 31,	
		2010	2009 (restated)		2010	2009 (restated)
Service and sales revenue (note 10)	$	39	$ 3,096	$	473	$ 10,011
Carrier charges and cost of sales (note 10)		-	2,470		425	6,224
Gross margin from continuing operations		39	626		48	3,787
Expenses:						
Customer care		-	310		231	982
Engineering and operations		-	693		615	2,091
General and administration		1,095	2,497		4,510	8,128
Amortization of property and equipment		41	896		198	2,927
Amortization of deferred charges		-	10		-	28
Restructuring charges (note 4)		957	418		1,698	418
Impairment of property and equipment		-	2,542		-	2,542
		2,093	7,366		7,252	17,116
Loss from continuing operations before the under noted		(2,054)	(6,740)		(7,204)	(13,329)
Accretion on liability component of convertible debentures (note 7)		(90)	(29)		(232)	(87)
Interest and finance charges		-	(53)		(101)	(153)
Interest income		47	3		133	68
Gain on sale of other property and equipment		5	-		10	2
Gain on settlement of Inukshuk litigation		-	4,000		-	4,000
Gain on sale of spectrum and broadcast licence		-	78,243		(61)	78,243
Loss on settlement of Bell litigation		-	(5,817)		-	(5,817)
Equity interest in Look's losses (note 5)		(39)	-		(39)	-
Dilution loss due to change in shareholding in Look (note 5)		(677)	-		(677)	-
Income (loss) for the period from continuing operations before income taxes		(2,808)	69,607		(8,171)	62,925
Income taxes (note 12)		-	-		-	-
Income (loss) for the period from continuing operations before non-controlling interest		(2,808)	69,607		(8,171)	62,925
Non-controlling interest (note 8)		975	(30,466)		3,425	(30,401)
Income (loss) for the period from continuing operations		(1,833)	39,141		(4,746)	32,524
Income for the period from discontinued operations (note 13)		-	-		40	4,531
Income (loss) and comprehensive income (loss) for the period		(1,833)	39,141		(4,706)	37,055
Deficit, beginning of period		(49,617)	(69,566)		(46,744)	(67,480)
Deficit, end of period	$	(51,450)	$ (30,425)	$	(51,450)	$ (30,425)
Income (loss) per share from continuing operations:						
Basic	$	(0.02)	$ 0.38	$	(0.05)	$ 0.32
Diluted		(0.02)	0.36		(0.05)	0.30
Income (loss) per share from discontinued operations:						
Basic	$	0.00	$ 0.00	$	0.00	$ 0.04
Diluted		0.00	0.00		0.00	0.04
Income (loss) per share:						
Basic	$	(0.02)	$ 0.38	$	(0.05)	$ 0.36
Diluted		(0.02)	0.36		(0.05)	0.34
Weighted average of number of shares outstanding (note 9):						
Basic		102,748	102,748		102,748	102,748
Diluted		102,748	108,172		102,748	104,556

Comparative figures and restatement (note 18).
See accompanying notes to interim unaudited consolidated financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Interim Unaudited Consolidated Statements of Cash Flows
(In thousands of dollars)

Three and nine months ended May 31, 2010 and 2009

	Three months ended May 31, 2010	Three months ended May 31, 2009 (restated)	Nine months ended May 31, 2010	Nine months ended May 31, 2009 (restated)
Cash provided by (used in):				
Operating activities:				
Income (loss) for the period	$ (1,633)	$ 39,141	$ (4,706)	$ 37,055
Less: Income for the period from discontinued operations	-	-	(40)	(4,531)
Non-controlling interest	(975)	30,488	(3,426)	30,401
Equity interest in Look's losses	39	-	39	-
Amortization of property and equipment	41	896	198	2,927
Impairment of property and equipment	-	2,542	-	2,542
Interest earned on short-term investments	(40)	-	(122)	-
Amortization of deferred charges	-	10	-	28
Interest and finance charges	-	4	11	11
Amortization of stock-based compensation	32	417	91	687
Accretion on liability component of convertible debentures	90	28	232	87
Gain and adjustment to gain on sale of spectrum and broadcast licence	-	(78,243)	61	(78,243)
Loss on settlement of Bell litigation	-	5,817	-	5,817
Dilution loss due to change in shareholding in Look (note 5)	677	-	677	-
Gain on sale of other property and equipment	(5)	-	(10)	(2)
Change in non-cash operating assets and liabilities (note 15)	(170)	3,116	(23,170)	3,245
Cash from (used in) continuing operations	(2,144)	4,195	(30,164)	24
Cash provided by (used in) discontinued operations (note 13)	-	12	78	507
	(2,144)	4,207	(30,086)	531
Financing Activities:				
Interest on convertible debentures	(32)	-	(73)	-
Settlement and discharge of mortgage	-	-	(1,800)	-
Redemption of debentures	(242)	-	(242)	-
	(274)	-	(2,115)	-
Investing activities:				
Purchase of property and equipment	(1)	(8)	(24)	(20)
Proceeds on sale of property and equipment	15	-	50	2
Proceeds on sale of spectrum and broadcast licence (note 3)	-	30,000	50,000	30,000
(Purchase) redemption of short-term investments	5,500	-	(27,500)	-
Settlement of Bell litigation	-	(16,000)	-	(16,000)
Elimination of Look's cash due to change to equity accounting of Look	(2,179)	-	(2,179)	-
Transaction costs on sale of spectrum and broadcast licence		(1,721)	(61)	(1,721)
Interest earned on short-term investments	16	-	22	-
Cash provided by continuing operations	3,351	12,273	20,308	12,261
Cash provided by (used in) discontinued operations	-	(12)	-	3,381
	3,351	12,261	20,308	15,642
Net cash provided by (used in) continuing operations	933	16,468	(11,971)	12,285
Net cash provided by discontinued operations	-	-	78	3,888
Increase (decrease) in cash and cash equivalents	933	16,468	(11,893)	16,173
Cash and cash equivalents, beginning of period	4,563	4,873	17,389	5,168
Cash and cash equivalents, end of period	$ 5,496	$ 21,341	$ 5,496	$ 21,341

Supplemental cash flow information (note 15).
Comparative figures and restatement (note 18).
See accompanying notes to interim unaudited consolidated financial statements.

Unique Broadband Systems, Inc. is a publicly listed Canadian company that, effective May 25, 2010, has a 39.2% fully diluted equity interest in Look Communications Inc. ("Look") and other financial assets. References to "UBS" include the legal entity Unique Broadband Systems, Inc. and its wholly owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless"). References to the Company means UBS and Look.

In 2003, UBS transitioned from a technology company that designed, developed and manufactured broadband wireless equipment to a holding company when it acquired a controlling interest in Look through share transactions and a 7% Secured Convertible Debenture issued by Look ("Debenture") and sold its manufacturing business. This holding in Look's securities gave UBS a controlling 51.8% share of Look. However, on May 11, 2010, UBS announced that it had not converted any of its outstanding Debentures by the final date for conversion following the announcement by Look that it intended to redeem all outstanding Debentures on May 25, 2010. Accordingly, the Debenture previously held by UBS Wireless was among the Debentures redeemed by Look and, as a result, effective May 25, 2010, UBS has a non-controlling 37.6% voting interest and a 39.2% economic interest in Look (notes 5 and 7).

On July 5, 2010, at a special meeting of shareholders requisitioned by a group of concerned shareholders, Robert Ulicki, Grant McCutcheon and Henry Eaton were elected to the Board of Directors of UBS to replace Gerald McGoey, Louis Mitrovich and Douglas Reeson. Robert Ulicki was appointed Chairman of the Board and Grant McCutcheon was appointed Chief Executive Officer of UBS (note 19).

During the quarter ended May 31, 2010, Look announced on April 22, 2010, that it was applying to the Ontario Superior Court of Justice pursuant to a Plan of Arrangement ("2010 POA") for an Initial Order authorizing it to hold a special meeting of shareholders. The meeting was being sought under the Canada Business Corporations Act (Section 192), to consider a proposed Court process with a view to:

(a) an orderly sale of Look's remaining property (not including its cash and tax attributes);

(b) providing shareholders with the option of receiving their initial distribution of available cash, net of reserves, by way of either a return of capital or dividend as elected by each shareholder; and

(c) providing releases, whereby parties with possible indemnity claims against Look would be barred from asserting such claims, in exchange for a court ordered release, subject to specified exemptions, in favour of those same parties by, among others, former and current shareholders.

On April 23, 2010, Look announced that it had obtained an Initial Order from the Ontario Superior Court of Justice permitting it to hold a special meeting of shareholders on June 28, 2010.

On May 3, 2010 Look announced that it had decided not to proceed with the previously announced special meeting of shareholders scheduled for June 28, 2010 and Look filed a Notice of Abandonment and a Notice of Termination of Plan of Arrangement with the Court. Legal and consulting charges in connection with the 2010 POA amounted to $712 (note 4).

1. **Basis of presentation and going concern:**

These interim unaudited consolidated financial statements have been prepared, on a going concern basis, in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") with respect to the preparation of financial statements. The going concern basis of presentation assumes that UBS will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about UBS' use of the going concern assumption because it has a working capital deficiency of $3,231 as at May 31, 2010. Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain recent litigation (note 19). UBS will need to raise cash and/or receive cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments and there is doubt about UBS' use of the going concern assumption.

Notwithstanding the above, the interim unaudited consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying value and balance sheet classifications of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Effective November 30, 2003, UBS received final approval from the Canadian Radio-Television and Telecommunications Commission ("CRTC") to acquire control of Look, which it did at the end of December 2003. Up until May 25, 2010, Look, on a fully diluted basis, was a 51.8%-owned subsidiary of UBS and was consolidated for financial reporting purposes.

UBS' actual share ownership in Look has fluctuated as Debentures previously issued by Look were converted into multiple and subordinate voting shares and interest obligations in connection with these Debentures were settled in subordinate voting shares. If all Debentures were converted, UBS would have had the ability to control at least 51% of Look by the conversion of its Debentures. As UBS had the ability to maintain control by converting these Debentures at any time, UBS consolidated its interest in Look.

1. **Basis of presentation and going concern (continued):**

However, following the redemption of Debentures by Look, UBS no longer has the ability to convert its Debentures and as from the effective date of the redemption of Look's Debentures, May 25, 2010, UBS will account for its 39.2% interest in Look using the equity method that reports UBS' equity participation in Look through the "equity interest in Look's income or loss" in the statement of operations.

2. **Significant accounting policies:**

(a) Principles of consolidation:

These interim unaudited consolidated financial statements include the accounts of UBS' wholly owned subsidiary, UBS Wireless for the three and nine months ended May 31, 2010, and its 51% controlled subsidiary, Look, for the three and nine months up to May 25, 2010. All significant intercompany balances and transactions have been eliminated upon consolidation.

At May 31, 2010 and August 31, 2009, UBS Wireless held 24,864,478 Multiple Voting Shares and 29,921,308 Subordinate Voting Shares in Look. In addition, up until May 25, 2010, UBS Wireless was the holder of a Debenture in the principal amount of $3,000 which could have been converted into 20,000,000 Multiple Voting Shares and 20,000,000 Subordinate Voting Shares. On a fully diluted basis, UBS Wireless held approximately 51% of Look and accordingly consolidated the results of Look up to May 25, 2010. Following the redemption of the Debentures, UBS has a 39.2% economic interest and a 37.6% voting interest in Look and as of May 25, 2010, accounts for its interest in Look using the equity method.

In accordance with the Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1600, Consolidated Financial Statements ("Section 1600"), when the losses applicable to the non-controlling interest in Look exceeded the non-controlling interest's carrying value in Look, which occurred during the third quarter of fiscal 2008, the excess and any further losses were fully absorbed by the Company. Subsequent earnings recorded by Look were allocated entirely to the Company's interest until such previously absorbed losses were recovered, which occurred during the third quarter of fiscal 2009 (note 8).

2. **Significant accounting policies (continued):**

(b) Accounting policies and methods of their application followed in the preparation of these interim unaudited consolidated financial statements are consistent with those used in the most recent annual audited consolidated financial statements except for short-term investments and revenue recognition as noted below:

(i) Short-term investments:

Short-term investments include variable rate guaranteed investment certificates with original maturities of less than 365 days. Short-term investments held during the period have been classified as held-for-trading instruments.

(ii) Revenue recognition:

Service revenue is comprised of:

a. fees received from subscribers in connection with Broadcast, Internet, and Other services performed by Look, and

b. base fees and performance incentives received from Look pursuant to the management services agreement entered into between UBS and Look on May 19, 2004 ("Look MSA").

Service revenue from subscribers, comprised of Broadcast, Internet, and Other, is presented net of discounts granted to new subscribers as incentives. Broadcast Service revenue is earned from the provision of digital television services to residential and business subscribers. Internet Services revenue is earned primarily from monthly and annual subscriptions from individuals and businesses for access to the Internet. Look earns Other Services revenue by providing services such as web hosting, domain name registration, and web server co-location. Revenue from domain name registration for all service periods is recognized when invoiced, as Look has no future obligation to the consumer. Web hosting and web server co-location charges invoiced or paid for in advance are recorded as revenue when services are provided. Unearned revenue consists of prepayments under certain customer contracts and is amortized to revenue over the term of the contract. Revenues from the web-hosting and domain name registration business are presented as part of discontinued operations as a result of the sale of these businesses during the year (note 3).

2. Significant accounting policies (continued):

Equipment sales and installations revenue is earned from the sales of digital receivers and Internet equipment to subscribers and the installations of such equipment.

Revenue from the sale of receiving equipment and modems is recognized in the period in which the services are activated.

On September 11, 2009, Look announced that it will no longer be offering service to any subscribers as of November 15, 2009 (note 10).

Service revenue in connection with the Look MSA include base fees payable on a monthly basis from Look to UBS and any performance incentives recognised by Look in the form of cash bonus payments, the direct grant of treasury shares or options for the purchase of Look shares from treasury.

(c) Recent Accounting Pronouncement:

(i) International Financial Reporting Standards ("IFRS"):

The CICA plans to converge Canadian GAAP with IFRS. UBS will be required to adopt IFRS effective September 1, 2011. The impact of the transition to IFRS on UBS's consolidated financial statements is in the process of being evaluated and is not yet determinable as UBS is currently evaluating its plans for future operations. The Company's first reporting period under IFRS will be for the first interim period of the year ending August 31, 2012.

3. Sale of spectrum and broadcast licence:

On September 11, 2009, following the receipt of regulatory approval of the transaction by Industry Canada and the satisfaction of all remaining conditions precedent to the consummation of the transactions contemplated in the Agreement of Purchase and Sale between Look and Inukshuk Wireless Partnership ("Inukshuk") (through joint partners Rogers Communications and Bell Canada) for the sale of its spectrum and broadcast licence ("Agreement"), Look received the full consideration of $80,000 due from Inukshuk. In accordance with the Agreement, Inukshuk requested that Look support an application by Inukshuk to the CRTC for the grant of a licence under the *Broadcasting Act*.

On June 17, 2010 following advice from Inukshuk, Look directed the Court-appointed monitor to surrender Look's CRTC decisions and related licences to the CRTC and, as such, Look has no further obligations with respect to the Agreement.

(In thousands, except shares and per share amounts)

4. Restructuring:

As a result of the sale of its spectrum and broadcast licence to Inukshuk and the resulting restructuring of its business, the Company has recorded and paid restructuring amounts during the first, second and third quarters of fiscal 2010 as set out in the following tables:

	Site restoration and contract termination charges	Human resource restructuring charges	Total restructuring amounts
Accrued restructuring liabilities			
Balance at August 31, 2009	$ 204	$ 2,110	$ 2,314
Expensed in first quarter 2010	401	-	401
Paid in first quarter 2010	(430)	(2,108)	(2,538)
Balance at November 30, 2009	$ 175	$ 2	$ 177
Expensed in second quarter 2010	278	(2)	276
Paid/reversed in second quarter 2010	(393)	-	(393)
Balance at February 28, 2010	$ 60	$ -	$ 60
Expensed in third quarter 2010	924	-	924
Paid in third quarter 2010	(809)	-	(809)
Elimination of Look's accrual due to change to equity accounting	(175)	-	(175)
Balance at May 31, 2010	$ -	$ -	$ -
Accrued restructuring liabilities due to related parties[1]			
Balance at August 31, 2009	$ -	$ 22,934	$ 22,934
Expensed in first quarter 2010	-	32	32
Paid in first quarter 2010	-	(17,224)	(17,224)
Balance at November 30, 2009	$ -	$ 5,742	$ 5,742
Expensed in second quarter 2010	-	32	32
Paid in second quarter 2010	-	-	-
Balance at February 28, 2010	$ -	$ 5,774	$ 5,774
Expensed in third quarter 2010	-	33	33
Paid in third quarter 2010	-	-	-
Balance at May 31, 2010	$ -	$ 5,807	$ 5,807

[1] see note 11.

During the quarter ended May 31, 2010, the Company expensed $957 and paid $809 of restructuring charges as noted above. Of the $957 expensed in the quarter, $712 related to legal and consulting charges incurred in relation to the 2010 POA and the balance related primarily to site restoration and contract termination charges and accrued interest.

(In thousands, except shares and per share amounts)

4. Restructuring (continued):

As of November 15, 2009, Look no longer offers service to any subscribers and as of December 31, 2009, Look decommissioned its wireless network. Look is continuing to pursue opportunities to realize the value of its remaining two material non-cash assets, which include:

(a) Tax Attributes – Approximately $367,000 in tax attributes; and

(b) Milton Property – The Company's current head office, Look's network operating centre and infrastructure in Milton, Ontario.

Look believes that substantially all of the charges and activities related to the site restoration, contract termination and human resources restructuring process have been recognized and performed.

5. Investment in Look:

At May 31, 2010, UBS Wireless held 24,864,476 Multiple Voting Shares and 29,921,308 Subordinate Voting Shares in Look representing a 39.2% economic interest and a 37.6% voting interest in Look.

UBS acquired its shareholding in Look through a series of transactions and the receipt of shares in lieu of interest on its Debentures as set out in the table below. UBS' 39.2% interest in Look's equity of $33,437 at May 31, 2010 amounted to $13,107.

	May 31, 2010
Investment in Look shares	
Acquired from Look treasury	$ 2,995
Acquired from third party	5,364
Converted from Debentures	2,447
Shares received in lieu of interest on Debentures	1,123
Investment in shares of Look at cost	11,929
Cumulative equity interest in Look's income	1,178
Investment in Look	$ 13,107

(In thousands, except shares and per share amounts)

5. Investment in Look (continued):

An analysis of UBS' interest in the post acquisition income and losses of Look is as follows:

Accumulated share of Look's income at August 31, 2009	$ 5,420
UBS' share of Look's losses in fiscal 2010 up to May 25, 2010	(3,526)
UBS' share of Look's income at May 25, 2010	1,894
Dilution loss on change in shareholding from 51% to 39.2%	(677)
Accumulated share of Look's income	1,217
Equity interest in Look's losses for May 26 to May 31, 2010	(39)
Cumulative equity interest in Look's income as at May 31, 2010	$ 1,178

Look's operating losses for the three and nine months ended May 31, 2010 were $2,090 and $7,013 respectively compared with net income of $66,138 and $64,497 for the same periods in fiscal 2009 and its summarised balance sheet as at May 31, 2010 is set out below:

	May 31 2010	August 31 2009
ASSETS		
Total current assets	$ 33,116	$ 67,288
Restricted cash	-	380
Property and equipment	1,781	1,995
	$ 34,897	$ 69,663
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Total current liabilities	$ 1,460	$ 26,144
Liability component of convertible debentures	-	3,291
Total liabilities	1,460	29,435
Shareholders' equity		
Share capital	34,484	33,566
Equity component of convertible debentures	-	1,479
Contributed surplus	11,934	11,151
Deficit	(12,981)	(5,968)
Total shareholders' equity	33,437	40,228
	$ 34,897	$ 69,663

6. Cash:

(a) Cash and cash equivalents:

At May 31, 2010, UBS held cash and cash equivalents of $5,496, of which $2,199 was held in guaranteed investment certificates and bankers' acceptances, compared with cash and cash equivalents of $3,135 at August 31, 2009.

The Company held cash and cash equivalents of $17,369 at August 31, 2009, of which $2,701 was held in guaranteed investment certificates and bankers' acceptances.

(b) Restricted cash:

At May 31, 2010, UBS had restricted cash of $50 which was held in an interest-bearing certificate at 0.05%. At August 31, 2009 the Company's restricted cash totalled $430 of which $350 was held in interest-bearing certificates at 0.2%.

7. Convertible debentures:

Look's Debentures bore interest at a rate of 7% per annum. Look paid interest on the Debentures, which were scheduled to mature on December 30, 2013, semi-annually in arrears, on June 30 and December 30 of each year, which commenced on June 30, 2004. Look carried the Debentures at amortized cost using an effective interest rate of 13.6%. The Debentures were convertible at the option of the holder into Multiple Voting and Subordinate Voting Shares of Look at a conversion price of $0.075 per each Multiple Voting and Subordinate Voting Share, representing 6,667 Multiple Voting Shares and 6,667 Subordinate Voting Shares per $1 debenture. Look has had the option to settle its obligation to pay interest and repay the principal by issuing shares of Look. The Debentures were direct obligations of Look and ranked *pari passu* with all other subordinated, secured obligations of Look.

Since January 1, 2007, Look has had the right to redeem the Debentures. On April 22, 2010 Look's Board of Directors announced that it would redeem all of its principal amount of $4,158 of outstanding Debentures for cash on May 25, 2010. By May 11, 2010 5:00pm (Eastern Time), the deadline for Debenture-holders to elect to convert their Debentures into shares, Debenture-holders with $916,000 of Debentures had elected to convert their Debentures into shares at May 25, 2010. The remaining $3,242 of Debentures, including $3,000 of Debentures held by UBS Wireless that could have been converted into 20,000,000 Multiple Voting Shares and 20,000,000 Subordinate Voting Shares, were redeemed by Look at a price equal to the principal amount of the Debentures plus accrued and unpaid interest to May 24, 2010.

On the redemption of the Debentures, Look recorded a one-time non-cash charge of $58 which is included in the accretion on the liability component of convertible debentures.

(In thousands, except shares and per share amounts)

8. **Non-controlling interest:**

Non-controlling interest in the consolidated balance sheets of the Company represented the non-controlling interest in both the equity in Look and equity component of convertible debentures in Look. Reported operating losses of Look were allocated to the non-controlling interest at 49% but were limited to the extent of any remaining non-controlling interest in the equity of Look. During the third quarter of fiscal 2008, the non-controlling interest in Look's equity was eliminated and, in accordance with the accounting treatment described in note 2(a), the Company absorbed losses incurred by Look in excess of its 51% interest in Look amounting to $1,717 as at August 31, 2008. Further losses in excess of 51% amounting to $739 were absorbed by the Company in the first and second quarters of fiscal 2009 but since Look generated income in the quarter ended May 31, 2009, the Company recovered all excess losses previously absorbed totaling $2,456 during the third quarter of fiscal 2009.

As a result of the redemption of the Debentures held by UBS, effective May 25, 2010, UBS has a 39.2% economic interest in Look and as of that date no longer consolidates Look. Future income or losses of Look will be accounted for by UBS using the equity method (note 1).

The non-controlling interest in Look as previously reported is set out below:

	May 31, 2010	August 31, 2009
Shares and equity	$ -	$ 21,527
Equity component of convertible debentures	-	413
Non-controlling interest in Look	$ -	$ 21,940

9. **Share capital:**

(a) Issued and outstanding:

As at August 31, 2009 and May 31, 2010, UBS had 102,747,854 common shares and no Class A non-voting shares issued and outstanding.

(b) Income/loss per share:

In determining diluted loss per share for the three and nine months ended May 31, 2010, the weighted average number of shares outstanding was not increased for in-the-money stock options outstanding as the impact would have been anti-dilutive.

The number of fully diluted shares for the three and nine months ended May 31, 2009 amounted to 108,171,643 and 104,555,784 respectively, which includes a calculated number of shares from the in-the-money options outstanding.

9. Share capital (continued):

(c) Stock option incentive plan:

UBS' stock option plan (the "Option Plan") provides for the granting of stock options to employees, directors and consultants of UBS. Under the Option Plan, up to 19,765 common shares may be issued from treasury. The exercise price of the options is determined by the Board of Directors at the time of the grant of an option, but cannot be lower than the closing market price of the Company's shares on the TSX Venture Exchange on the business day immediately preceding the day on which an option is granted. In the absence of terms specifying otherwise, options vest annually over a three-year period and are exercisable during a period not to exceed 10 years from such grant.

During the nine months ended May 31, 2010, there were no stock options granted and 1,188,000 options expired. UBS recorded stock-based compensation expense related to options issued to employees in the three and nine month periods ended May 31, 2010 of $4 and $17 respectively (May 31, 2009 - $44 and $124 respectively) and options issued to non-employees of $28 and $75 respectively (May 31, 2009 - $401 and $451 respectively), which has been recorded in contributed surplus. As at May 31, 2010, there were 14,702,667 options outstanding (August 31, 2009 – 15,890,667).

(d) Share appreciation rights plan:

On October 12, 2006, the Board of Directors approved a Share Appreciation Rights Plan ("SAR Plan") for UBS. Pursuant to the SAR Plan, directors, employees and consultants may be awarded units from time to time that will be subject to conditions set by the Board of Directors. The value of a SAR unit will be equivalent to the market value at the date when all the conditions attached to the SAR unit are met, less the market value at the date of the award of the unit.

As a result of the restructuring process, there were no SAR units outstanding at May 31, 2010 or at August 31, 2009. The SAR Plan remains in effect.

No unit payouts have been made under the SAR Plan since inception.

(In thousands, except shares and per share amounts)

10. Segment disclosure:

Look sold its web hosting and domain name business, spectrum and broadcast licence, and its Internet business during the first, third, and fourth quarters of fiscal 2009 respectively. In accordance with Section 3475 of the CICA Handbook, the operations and cash flows of the web hosting and domain name business are presented as discontinued operations while the broadcast, Internet, and certain other operations which do not meet the definition of discontinued operations are shown as continuing operations.

The revenue, carrier charges and cost of sales and gross margin for the three and nine months ended May 31, 2010 and 2009 from continuing operations and the management service fees from the Look MSA are as follows:

	Three months ended May 31, 2010			Three months ended May 31, 2009		
Services	Revenue	Carrier charges and cost of sales	Gross margin	Revenue	Carrier charges and cost of sales	Gross margin
Broadcast	$ -	$ -	$ -	$ 1,536	$ 1,650	$ (114)
Internet	-	-	-	1,499	785	714
Other	-	-	-	34	11	23
Total service	-	-	-	3,069	2,446	623
Sales and installations	-	-	-	27	24	3
Total subscriber service and sales	-	-	-	3,096	2,470	626
Look MSA fees	39	-	39	-	-	-
Total	$ 39	$ -	$ 39	$ 3,096	$ 2,470	$ 626

	Nine months ended May 31, 2010			Nine months ended May 31, 2009		
Services	Revenue	Carrier charges and cost of sales	Gross margin	Revenue	Carrier charges and cost of sales	Gross margin
Broadcast	$ 434	$ 425	$ 9	$ 4,981	$ 3,661	$ 1,320
Internet	-	-	-	4,795	2,413	2,382
Other	-	-	-	114	32	82
Total service	434	425	9	9,890	6,106	3,784
Sales and installations	-	-	-	121	118	3
Total subscriber service and sales	434	425	9	10,011	6,224	3,787
Look MSA fees	39	-	39	-	-	-
Total	$ 473	$ 425	$ 48	$ 10,011	$ 6,224	$ 3,787

All of the Company's revenue was generated in Canada and all of its assets are located in Canada.

(In thousands, except shares and per share amounts)

10. Segment disclosure (continued):

The service and sales revenue, carrier charges and cost of sales and gross margin from discontinued operations are as follows:

	Three and nine months ended					
	May 31, 2010			May 31, 2009		
Services	Revenue	Carrier charges and cost of sales	Gross margin	Revenue	Carrier charges and cost of sales	Gross margin
Web hosting and domain name registration business[1]	$ -	$ -	$ -	$ 520	$ 189	$ 331

[1] See note 13.

11. Related party transactions:

Related party transactions in the normal course of operations are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions not in the normal course of operations, such as the Company's accrued human resource restructuring contingent payments, have been measured at the carrying amount which is the amount of an item transferred or the cost of services provided.

(a) Management Services Agreement:

On May 19, 2004, UBS and Look entered into a management services agreement ("Look MSA") under which UBS is providing Look with a wide range of services designed to maximize Look's full commercial potential. Under the terms of the Look MSA, Look is required to pay UBS an annual fee of $2,400. UBS received, in September 2007, in advance, an annual fee of $2,400. On a 12-month rolling basis, Look has maintained this fee. Look may, from time to time, recognize the performance of UBS in the form of cash bonus payments, direct grant of treasury shares of Look, or options for the purchase of Subordinate Voting Shares from treasury. All options shall conform to Look's stock option plan. Look shall also reimburse UBS for certain expenses and disbursements incurred in respect of the Look MSA and the services provided by UBS.

The initial term of the Look MSA is for a moving three-year period commencing on May 19, 2004 (the "execution date"). On each anniversary of the execution date, the term will automatically recommence unless, prior to an annual anniversary, Look's Board of Directors has communicated in writing to UBS its intent that the Look MSA not recommence, in which event, the Look MSA expires on the completion of the remaining term.

(In thousands, except shares and per share amounts)

11. Related party transactions (continued):

On April 22, 2010, Look's Board of Directors notified UBS that it will not be recommencing the Look MSA on May 19, 2010. Accordingly, the Look MSA will expire on May 19, 2012 or such earlier date that is mutually agreed to by Look and UBS. Look's remaining liability to UBS for annual fees as of May 31, 2010 will be $4,700 of which $2,400 has already been prepaid and is included as deferred revenue. The portion of the base fee recognised by UBS for the period from May 26 to May 31, 2010, amounting to $39, is included in Service and Sales Revenue (notes 2(b) and 10).

Effective May 25, 2010 Look redeemed its outstanding Debentures for cash. UBS elected not to convert any of its Debentures into shares and, accordingly, the $3,000 of Debentures held by UBS Wireless was redeemed.

(b) The Company recorded the following related party transactions in the three and nine months ended May 31, 2010:

	Accrued Restructuring Liabilities			
	Balance at August 31, 2009	Interest accrued [3]	Paid by Look [4]	Balance at May 31, 2010 [6]
Jolian Investments Ltd [1]	$ 7,366	$ 31	$ 5,566	$ 1,831 [5]
DOL Technologies Inc. [2]	5,481	26	3,951	1,556 [5]
UBS directors and management	2,675	40	295	2,420
Total	$ 15,522	$ 97	$ 9,812	$ 5,807

[1] Jolian Investments Ltd. ("Jolian") is a company controlled by the Chairman and Chief Executive Officer of the Company. Fees charged to general and administration expenses in the three and nine month periods ended May 31, 2010 amounted to $143 and $428 respectively (2009 - $144 and $445 respectively).

[2] DOL Technologies Inc. ("DOL") is a company controlled by the Chief Technology Consultant of the Company. Fees charged to general and administration expenses in the three and nine month periods ended May 31, 2010 amounted to $119 and $358 respectively (2009 - $120 and $370 respectively).

[3] The interest on accrued restructuring liabilities payable by UBS is charged to restructuring charges.

[4] In addition to the amounts paid by Look noted above, at August 31, 2009, Look had accrued $7,412 in respect of accrued contingent payments due to other Look related parties that it paid during the first quarter of 2010.

[5] The accrued restructuring liabilities payable by UBS at May 31, 2010 are payable upon, among other things, adequate cash resources being received by UBS.

[6] These amounts, among others, are included in the claims filed against UBS by Jolian and DOL on July 12, 2010 (note 19).

(c) See note 19 for a discussion of the UBS special meeting of shareholders and related subsequent events.

(In thousands, except shares and per share amounts)

12. **Income taxes:**

As a result of the sale of the spectrum and broadcast licence and the restructuring of the business, the cumulative eligible capital expenditure pool has been converted to a non-capital loss and is included in the table below with an expiry date of December 31, 2029. Look has the following federal non-capital income tax losses, which may be carried forward to reduce future years' taxable income. These losses will expire in the taxation years ending December 31 as follows:

2010	$ 184,303
2014	12,588
2015	55
2026	403
2028	13,539
2029	156,306
	$ 367,194

At May 31, 2010, following certain amendments to prior tax returns to maximize UBS' tax attributes, UBS had $18,479 in non-capital income tax losses with expiry dates between 2014 and 2029, allowable gross capital losses of $22,555 with an unlimited expiration period and investment tax credits available for carry forward totalling approximately $2,670.

13. **Discontinued operations:**

During the quarter ended November 30, 2008, Look sold its web hosting and domain name business. As a result, Look segregated the results of operations in respect of this business to record the contribution from this segment of its business in discontinued operations. This gross margin amounted to $331 for the three months ended November 30, 2008. In addition, the gain on sale of the web hosting and domain name business amounted to $4,200 and was included in discontinued operations.

During the nine months ended May 31, 2010, the Company recorded an adjustment of $40, net of non-controlling interest, related to the sale of the web hosting and domain name business.

The consolidated balance sheets include the following amounts related to discontinued operations:

	May 31, 2010	August 31, 2009
Accrued liabilities and provisions	$ 147	$ 525

14. Contingencies:

(a) Manalta Investment Company Ltd. (formerly known as Craig Wireless International Inc. ("Craig Wireless"):

On February 19, 2004, Craig Wireless filed a statement of claim against the Company before the Ontario Superior Court of Justice. On February 4, 2010, the Company announced that Craig Wireless has agreed to a dismissal of its claim, in its entirety, against the Company, and other named defendants. The terms of the dismissal and minutes of settlement include the following:

(i) Craig Wireless will pay $15 in costs to each of Look and UBS; and

(ii) Craig Wireless has executed a full and final release that covers not only all known injuries, losses and damages, but also injuries, losses and damages not now known or anticipated but which may later develop or be discovered, including all the effects and consequences thereof.

(b) Border Broadcasters:

Look and Border Broadcasters executed a final settlement agreement to their ongoing litigation on August 17, 2009. During the quarter ended November 30, 2009 Look paid $1,000 to Border Broadcasters for complete settlement of all claims.

(c) In the normal course of its operations, the Company may be subject to other litigation and claims.

(d) The Company indemnifies its directors, officers, consultants and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

(e) Refer to the 2009 annual financial statements for the contingencies related to other litigation involving the Company.

(In thousands, except shares and per share amounts)

15. Supplemental cash flow information:

(a) The change in non-cash operating assets and liabilities in respect of continuing operations consists of the following:

	Three months ended May 31, 2010	Three months ended May 31, 2009	Nine months ended May 31, 2010	Nine months ended May 31, 2009
Accounts receivable and other receivables	$ 223	$ 78	$ (608)	$ 80
Inventory	-	3	40	-
Prepaid expenses and deposits	(2,571)	4	(2,257)	169
Accounts payable, accrued liabilities and provisions	(686)	2,639	(3,851)	2,575
Accrued restructuring liabilities	115	418	(2,147)	418
Accrued restructuring liabilities due to related parties	33	-	(17,127)	
Restricted cash	316	19	380	47
Unearned revenue	-	(45)	-	(44)
Deferred revenue	2,400	-	2,400	-
	$ (170)	$ 3,116	$ (23,170)	$ 3,245

(b) Interest paid and received:

	Three months ended May 31, 2010	Three months ended May 31, 2009	Nine months ended May 31, 2010	Nine months ended May 31, 2009
Interest paid	$ -	$ 53	$ 101	$ 153
Interest received	47	3	133	66

16. Capital risk management:

The Company manages its capital to maximize value to shareholders and other stakeholders. Up until May 25, 2010, the Company's capital structure included cash and cash equivalents, short-term investments, accounts receivable and other receivables, convertible debentures, and equity consisting of share capital, contributed surplus and deficit.

As of May 25, 2010, UBS' capital structure includes cash and cash equivalents, accounts receivable and other receivables and equity consisting of share capital, contributed surplus and deficit. UBS is not subject to externally-imposed capital requirements. UBS's overall strategy with respect to capital risk management is to hold low-risk highly-liquid cash and cash equivalents.

17. Financial risk management:

(a) Overview:

UBS may have exposure to credit risk, liquidity risk and market risk. UBS' Board of Directors has overall responsibility for the establishment and oversight of UBS' risk management framework. The Audit and Corporate Governance Committee of the Board of Directors reviews UBS' risk management policies from time to time on an as needed basis.

(b) Credit risk:

Credit risk is the risk of financial loss to UBS if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from UBS' cash and cash equivalents, restricted cash, and accounts receivable and other receivables. The carrying amount of financial assets represents UBS' estimate of its maximum credit exposure.

Cash and cash equivalents, restricted cash, and short-term investments (in the case of Look) consist of cash and variable rate guaranteed investment certificates and bankers acceptances with reputable Canadian financial institutions, from which the Company believes the risk of loss to be minimal.

(c) Liquidity risk:

Liquidity risk is the risk that UBS will not be able to meet its financial obligations as they become due. UBS' approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its current liabilities when due. In order to meet liquidity requirements, UBS' stated priority is to ensure that cash is distributed from Look to all shareholders, including UBS, as quickly as possible.

UBS has incurred operating losses and negative cash flows from operations in recent years and at May 31, 2010, UBS had a working capital deficiency of $3,231. Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions to Look's shareholders and the outcomes of certain recent litigation (note 19). UBS will need to raise cash and/or receive cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments and there is doubt about UBS' use of the going concern assumption (note 1).

17. Financial risk management (continued):

(d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect UBS' income or the value of its financial instruments. Prior to the Company's restructuring process, the Company's products and services were available solely in Canada and substantially all of the Company's financial assets and liabilities originated in Canadian dollars. The Company believed this risk was minimal and did not enter into any currency hedging transactions.

UBS is subject to interest rate risk on its cash and cash equivalents and restricted cash (note 6). UBS estimates that for each 1% change in the interest rate earned on its cash holdings at May 31, 2010, interest income will increase or decrease by approximately $55 per annum.

(e) Fair value of financial instruments:

The fair values of financial assets and financial liabilities are determined as follows:

(i) For cash and cash equivalents, short-term investments, restricted cash, accounts receivable and other receivables, short-term receivable due from Inukshuk, accounts payable, accrued restructuring liabilities, accrued restructuring liabilities due to related parties and accrued liabilities and provisions carrying amounts approximate fair value due to the short-term nature of the assets and liabilities;

(ii) The long-term debt, due within one year is carried at amortized cost which approximates fair value; and

(iii) The liability component of the convertible debentures is carried at amortized cost, which approximates fair value.

(f) Classification of financial instruments:

(i) Short-term investments, accounts receivable and other receivables, short-term receivable due from Inukshuk and restricted cash have been classified as financial assets held for trading and are measured at fair value;

(ii) Accounts payable, accrued restructuring liabilities, accrued restructuring liabilities due to related parties and accrued liabilities and provisions have been classified as financial liabilities held for trading; and

17. Financial risk management (continued):

(iii) Long-term debt due within one year and the liability component of convertible debentures are measured at amortized cost.

The Company has not classified any assets as available-for-sale or held-to-maturity during the three and nine month periods ended May 31, 2010 or the year ended August 31, 2009.

18. Comparative figures and restatement:

Certain comparative figures have been reclassified to conform to the current period's presentation.

The Company has restated previously issued consolidated financial statements for the three and nine month periods ended May 31, 2009. Effective May 31, 2009, the Company's Boards of Directors approved human resource restructuring charges of $25,300 which were recognized in the interim financial statements for the quarter ended May 31, 2009. However, in accordance with the relevant accounting guidance, the Company reclassified $25,300 of human resource restructuring charges from the third quarter to the fourth quarter of fiscal 2009 as the formal approval and communication criteria were not satisfied until the fourth quarter of fiscal 2009. As a result, income for the third quarter of fiscal 2009 increased from $23,641 to $39,141. The impact of the change on basic and diluted earnings per share was an increase of $0.15 per share and $0.13 per share respectively in the third quarter of fiscal 2009.

19. Subsequent events:

(a) Surrender of CRTC licence by Look:

On June 17, 2010 following advice from Inukshuk, Look directed the Court-appointed monitor to surrender Look's CRTC decisions and related licences to the CRTC and, as such, Look has no further obligations with respect to the Agreement (note 3).

19. Subsequent events (continued):

(b) Indemnity Agreements:

On June 16, 2010, the former Board of Directors of UBS received a letter signed by each of UBS' directors, officers and consultants (the "Indemnitees") advising UBS that the Indemnitees seek, and are entitled to, indemnification under the Indemnity Agreements and article 7 of the By-Laws of UBS for, among other things, ongoing legal expenses for lawyers that have been or will be retained to advise Indemnitees on indemnity matters. The former Board of Directors resolved that each Indemnitee was entitled to retain legal counsel pursuant to their Indemnity Agreements and, accordingly, $570 has been paid by UBS to various legal firms as retainers for these future services.

Subsequent to May 31, 2010, Look advanced $1,550 to various professional firms in accordance with the indemnification agreements with its directors, officers, and consultants.

(c) New UBS directors elected at special meeting of shareholders:

On July 5, 2010, at a special meeting of shareholders requisitioned by a group of concerned shareholders, Robert Ulicki, Grant McCutcheon and Henry Eaton were elected to the Board of Directors of UBS to replace Gerald McGoey, Louis Mitrovich and Douglas Reeson. Robert Ulicki was appointed Chairman of the Board and Grant McCutcheon was appointed Chief Executive Officer of UBS.

It was stated in the concerned shareholders' circular prepared in connection with the July 5, 2010 special meeting of shareholders that the costs incurred in the preparation and mailing of the circular and the solicitation will be borne by the concerned shareholders who would seek reimbursement from UBS of its out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with the meeting. In this regard, the concerned shareholders have incurred expenses of approximately $450. The total expenses associated with the July 5, 2010 meeting, including the aforementioned concerned shareholders' expenses, amount to approximately $800.

19. Subsequent events (continued):

(d) Statements of Claim pursuant to termination of services agreements:

(i) Jolian Investments Ltd. ("Jolian")

On July 12, 2010, Jolian, the company controlled by UBS' former Chief Executive Officer Gerald McGoey, following a notice of termination served on UBS on July 5, 2010, served a statement of claim on UBS. Among other things, Mr. McGoey seeks $7,410 in immediate termination payment, under the terms of the Jolian Management Services Agreement with UBS ("Jolian MSA"). This is in addition to the $8,300 in total compensation awarded to Mr. McGoey, and a company under his control, by UBS and Look in 2009.

Mr. McGoey is seeking a declaration from the Ontario Superior Court of Justice that there was a "company default" and "termination without cause" under the Jolian MSA. This claim is in large part due to shareholders not electing Mr. McGoey as a director of UBS at the special meeting of shareholders held on July 5, 2010.

In addition, Mr. McGoey makes a number of other allegations, including that a deferred bonus award of $1,200, which was awarded to him on August 28, 2009, and a share appreciation rights cancellation payment of $600 (together with accrued interest) will be additionally due and owing to him.

UBS continues to review the circumstances surrounding Mr. McGoey's claims for termination payments under the Jolian MSA in order to respond to the claim.

(ii) DOL Technologies Inc. ("DOL")

On July 12, 2010, DOL, the company controlled by UBS' former Chief Technology Consultant Alex Dolgonos, following a notice of termination served on UBS on July 6, 2010, served a statement of claim on UBS. Among other things, Mr. Dolgonos seeks $6,015 in immediate termination payment, under the terms of his consulting agreement with UBS ("Technology Agreement"). This is in addition to the $6,100 in total compensation awarded to Mr. Dolgonos, and a company under his control, by UBS and Look in 2009.

Mr. Dolgonos is seeking a declaration from the Court that he was terminated for "good reason following a change-in-control" in UBS under his Technology Agreement.

19. Subsequent events (continued):

In addition, Mr. Dolgonos makes a number of other allegations, including that a deferred bonus award of $1,200, which was awarded to him on August 26, 2009, and a share appreciation rights cancellation payment of $330, (together with accrued interest) will be additionally due and owing to him.

UBS continues to review the circumstances surrounding Mr. Dolgonos' claims for termination payments under the Technology Agreement in order to respond to the claim.

(e) New directors at Look:

On July 21, 2010, prior to the opening of the markets, Look announced that Messrs. Robert Ulicki, Grant McCutcheon and Henry Eaton had accepted appointment to the Board of Directors of Look after the former Board of Directors of Look resigned en masse, appointing these individuals as new directors. As a result of the resignations of Look's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), effective July 21, 2010, Grant McCutcheon will serve as Look's CEO and will also serve as acting CFO until a suitable replacement is found.

On July 27, 2010, Look announced that the two vacancies on the Look Board of Directors had been filled by Messrs. David Rattee and Lawrence Silber.

UNIQUE BROADBAND SYSTEMS, INC.

Shareholder Information

Board of Directors

Henry Eaton
Grant McCutcheon
Robert Ulicki (Chairman of the Board)

Officers

Grant McCutcheon
Chief Executive Officer

Malcolm Buxton-Forman
Chief Financial Officer

Auditors

Grant Thornton LLP
350 Burnhamthorpe Road West
Suite 401
Mississauga, Ontario
L5B 3J1

Shareholder Inquiries

UBS Investor Relations
8250 Lawson Road
Milton, Ontario
L9T 5C6
email: irinfo@uniquebroadband.com

Transfer agent

Equity Transfer & Trust Company
200 University Avenue, Suite 400
Toronto, Ontario
M5H 4H1
Tel: (416) 361-0152
Fax: (416) 361-0470

email: irinfo@equitytransfer.com

Common shares

The common shares of the Company are listed on the TSX Venture Exchange under the symbol UBS.

This is Exhibit "D" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

Industry Canada | Industrie Canada

Certificate of Amalgamation

Canada Business Corporations Act

Certificat de fusion

Loi canadienne sur les sociétés par actions

LOOK COMMUNICATIONS INC.

Name of corporation-Dénomination de la société

434326-5

Corporation number-Numéro de la société

I hereby certify that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Richard G. Shaw
Director - Directeur

January 1, 2006 / le 1 janvier 2006

Date of Amalgamation - Date de fusion

Canada

Industry Canada / Industrie Canada
Canada Business Corporations Act / Loi canadienne sur les sociétés par actions

FORM 9 / ARTICLES OF AMALGAMATION / (SECTION 185)

FORMULAIRE 9 / STATUTS DE FUSION / (ARTICLE 185)

1 — Name of the Amalgamated Corporation / Dénomination sociale de la société issue de la fusion

LOOK COMMUNICATIONS INC.

2 — The province or territory in Canada where the registered office is to be situated / La province ou le territoire au Canada où se situera le siège social

Province of Ontario

3 — The classes and any maximum number of shares that the corporation is authorized to issue / Catégories et tout nombre maximal d'actions que la société est autorisée à émettre

See Schedule 1 attached hereto and forming an integral part of the present articles of amalgamation

4 — Restrictions, if any, on share transfers / Restrictions sur le transfert des actions, s'il y a lieu

N/A

5 — Number (or minimum and maximum number) of directors / Nombre (ou nombre minimal et maximal) d'administrateurs

Minimum: 3 Maximum: 13

6 — Restrictions, if any, on business the corporation may carry on / Limites imposées à l'activité commerciale de la société, s'il y a lieu

N/A

7 — Other provisions, if any / Autres dispositions, s'il y a lieu

See Schedule 2 attached hereto and forming an integral part of the present articles of amalgamation

8 — The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article ou le paragraphe de la Loi indiqué ci-après

- [ ] 183
- [X] 184(1)
- [ ] 184(2)

9 — Name of the amalgamating corporations / Dénomination sociale des sociétés fusionnantes	Corporation No. / Nº de la société	Signature	Date	Title / Titre	Tel. No. / Nº de tél.
Look Communications Inc.	367558-1		2005/12/23	Director	(514) 599-2629
Look Communications (East) Inc. Communications Look (Est) Inc.	356563-7		2005/12/23	Director	(514) 599-2629
Look Communications (West) Inc. Communications Look (Ouest) inc.	381748-2		2005/12/23	Director	(514) 599-2629
6054447 Canada inc.	605444-7		2005/12/23	Director	(514) 599-2629
3796850 Canada Inc.	379685-0		2005/12/23	Director	(514) 599-2629
3565602 Canada Inc.	356560-2		2005/12/23	Director	(514) 599-2629

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2005-12-30

Canada

FORM 9
ARTICLES OF AMALGAMATION

LOOK COMMUNICATIONS INC.
(CONTINUED FROM PREVIOUS PAGE)

9 – Name of the amalgamating corporations / Dénomination sociale des sociétés fusionnantes	Corporation No. / N° de la société	Signature	Date	Title / Titre	Tel. No. / N° de tél.
Edulook Corporation Inc./ Corporation Edulook Inc.	364882-6		2005/12/23	Director	(514) 599-2629
Cesic Internet Exchange Ltd.	361009-4		2005/12/23	Director	(514) 599-2629
Internet Now Canada Inc.	321331-5		2005/12/23	Director	(514) 599-2629

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SCHEDULE I

MULTIPLE VOTING SHARES, SUBORDINATE VOTING SHARES AND CLASS A NON-VOTING SHARES

The Multiple Voting Shares, Subordinate Voting Shares (sometimes collectively referred to as the "Voting Shares") and the Class A Non-Voting Shares (the three classes sometimes collectively referred to as the "Participating Shares") shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Payment of Dividends

1.1 Subject to any preference as to the payment of dividends provided to any shares ranking in priority to the Participating Shares, the holders of Participating Shares shall, except as otherwise hereinafter provided, be entitled to participate equally with each other as to dividends and the Corporation shall pay dividends thereon, as and when declared by the Board of Directors of the Corporation out of moneys properly applicable to the payment of dividends, in amounts per share and at the same time on all such Participating Shares at the time outstanding as the Board of Directors may from time to time determine.

2. Liquidation, Dissolution or Winding-up

2.1 In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, all of the property and assets of the Corporation which remain after payment to the holders of any shares ranking in priority to the Participating Shares in respect of payment upon liquidation, dissolution or winding-up of all amounts attributed and properly payable to such holders of such other shares in the event of such liquidation, dissolution, winding-up or distribution, shall be paid or distributed equally, share for share, to the holders of the Participating Shares, without preference or distinction.

3. Anti-Dilution

3.1 No Class of Participating Shares shall be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the other classes of Participating Shares are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

4. Voting

4.1 The holders of the Multiple Voting Shares shall be entitled to receive notice of and attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or any series of such other class of shares) and to vote at all such meetings with each holder of Multiple Voting Shares, being entitled to 150 votes per Multiple Voting Share.

4.2 The holders of the Subordinate Voting Shares shall be entitled to receive notice of and attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or any series of shares of such other class of shares) and to vote at all such meetings with each holder of Subordinate Voting Shares, being entitled to one vote per Subordinate Voting Share.

4.3 The holders of the Class A Non-Voting Shares shall be entitled to receive notice of and to attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or of shares of any series of shares of any such other class of shares other than Voting Shares) and shall be entitled to receive all notices of meetings, management proxy circulars and other written information from the Corporation that the holders of Voting Shares are entitled to receive from the Corporation but not to vote at such meetings, unless otherwise required by law.

5. **Automatic Conversion of Class A Non-Voting Shares**

5.1 In this Article 5, unless there is something in the subject matter or context inconsistent therewith:

"Broadcasting Act" means the *Broadcasting Act* (Canada), R.S.C. 1991, c. 11;

"Business Day" means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation's registered office is located and in the event that any day on which any action is required or permitted to be taken pursuant to these provisions is not a business day such action shall be required or permitted to be taken on the next succeeding day that is a business day;

"Close of Business" means, with respect to the conversion of any Class A Non-Voting Shares, the normal closing time of the office of the transfer agent for the Class A Non-Voting Shares at which the holder thereof deposits the certificate or certificates representing such shares in exercise of the conversion privilege contained in this Article 5; and

"CRTC Direction" means the *Direction to the CRTC (Ineligibility of Non-Canadians)*, Order in Council P.C. 1997-486, which came into force on April 8, 1997.

5.2 If the CRTC Direction is changed so that there is no restriction on non-Canadians (as defined in the CRTC Direction) holding Voting Shares in the Corporation, a holder of Class A Non-Voting Shares shall have the right, at his or her option, at any time after the date of change of the CRTC Direction and prior to the Close of Business 90 days thereafter (the **"Regulatory Conversion Period"**) to convert, subject to these provisions, any one or more of such Class A Non-Voting Shares into Subordinate Voting Shares on a one for one basis.

5.3 The conversion of Class A Non-Voting Shares shall be affected by the deposit of the certificate or certificates representing the same at any time during usual business hours at the option of the holder at any office of any transfer agent of the Corporation at which the Class A Non-Voting Shares are transferable accompanied by a written instrument of surrender in form satisfactory to the Corporation duly executed by the registered holder or his attorney duly authorized in writing, in which instrument such holder may elect to convert part only of the Class A Non-Voting Shares represented by such certificate or certificates, in which event the Corporation shall issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Class A Non-Voting Shares represented by such certificate or certificates which have not been converted.

5.4 As promptly as practicable after the deposit of any Class A Non-Voting Shares for conversion, the Corporation shall issue and deliver or cause to be delivered to the holder of the Class A Non-

Voting Shares so surrendered or to such person as the holder has designated by written direction, a certificate or certificates issued in the name of, or in such name or names as may be designated by, such holder representing the number of Subordinate Voting Shares to which such holder is entitled. Subject to the following provisions of this Section 5.4, such conversion shall be deemed to have been made at the Close of Business on the date such Class A Non-Voting Shares shall have been deposited for conversion, so that the rights of the holder of such Class A Non-Voting Shares as the holder thereof shall cease at such time and the person or persons entitled to receive Subordinate Voting Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Subordinate Voting Shares at such time; provided, however, that no such deposit on any date when the Corporation's registers of transfers of Subordinate Voting Shares shall be properly closed shall be effective to constitute the person or persons entitled to receive Subordinate Voting Shares upon such conversion as the holder or holders of record of such Subordinate Voting Shares on such date, but such deposit shall be effective to constitute the person or persons entitled to receive such Subordinate Voting Shares as the holder or holders of record thereof for all purposes as of the Close of Business on the next succeeding day on which the Corporation's registers of transfers of Subordinate Voting Shares are open. For these purposes the date of deposit of any Class A Non-Voting Share for conversion shall be deemed to be the date when the certificate representing such Class A Non-Voting Share is received by a transfer agent of the Corporation as provided in this Section 5.4.

5.5 If the CRTC Direction is changed so that there is no restriction on non-Canadians (as defined in the CRTC Direction) holding Subordinate Voting Shares in the Corporation and following the Regulatory Conversion Period there are Class A Non-Voting Shares still outstanding, all holders of Class A Non-Voting Shares shall be deemed to have exercised their right to convert the Class A Non-Voting Shares held by them to Subordinate Voting Shares upon receipt by all of the holders of written notice from the Corporation stating that the Corporation is requiring all holders to convert their Class A Non-Voting Shares to Subordinate Voting Shares on the date specified in such notice in the manner specified in this Article 5 and the date specified in the notice shall be the date of conversion. Upon such deemed conversion, pursuant to this Section 5.5, all holders of Class A Non-Voting Shares shall, as of the date of conversion, be deemed to be holders of Subordinate Voting Shares to which they are entitled and the provisions of Sections 5.3 and 5.4 hereof shall apply to the holders of Class A Non-Voting Shares with respect to the issue and delivery of certificates for Subordinate Voting Shares in exchange for the Class A Non-Voting Shares which are deemed to be converted.

5.6 Any conversion of Class A Non-Voting Shares pursuant to Sections 5.2, 5.3 and 5.4 hereof shall be subject to the condition that the holder provide to the Corporation written evidence satisfactory to the Corporation that the acquisition by such holder of all Class A Non-Voting Shares held by it was effected in conformity with these Articles. Any determination by the Directors in this regard shall be final and binding on the shareholder. The Directors may, at their discretion, apply the foregoing condition to a conversion of Class A Non-Voting Shares pursuant to Section 5.5 hereof.

6. **Voting Share Conversion Right**

6.1 In this Article 6 unless there is something in the subject matter or context inconsistent therewith:

"**Constrained Class**" means the class of persons each of whom is a non-Canadian as defined in the CRTC Direction;

"**Maximum Aggregate Holdings**" means the maximum number of Subordinate Voting Shares that may be owned or controlled by persons in the Constrained Class in accordance with the

CRTC Direction so that, when added to all other voting shares (as defined in the CRTC Direction) owned or controlled by the Constrained Class, the Corporation will be and will continue to be a Qualified Corporation; and

"**Qualified Corporation**" means a qualified corporation as defined in the CRTC Direction, including a corporation incorporated or continued under the laws of Canada or a province, where

(a) the chief executive officer or, where the corporation has no chief executive officer, the person performing functions that are similar to the functions performed by a chief executive officer, and not less than 80 per cent of the directors are Canadians;

(b) in the case of a corporation having share capital, Canadians beneficially own and control, directly or indirectly, in the aggregate and otherwise than by way of security only, not less than 80 per cent of all the issued and outstanding voting shares of the corporation and not less than 80 per cent of the votes.

6.2 The Corporation shall provide notice to each holder of Voting Shares at least ten days before the record date in respect of each meeting of the Corporation at which the Class A Non-Voting Shares will be entitled to vote as a class, or at which the Subordinate Voting Share will be entitled to vote as a class. In such event, if after taking into account the conversion, the Constrained Class would continue to hold no more than the Maximum Aggregate Holdings, each outstanding Multiple Voting Share shall be convertible into one share of the class of shares entitled to vote as a class in each case on a one for one basis, and each outstanding Subordinate Voting Share shall be convertible into one Class A Non-Voting Share on a one for one basis. Notice to each holder of Voting Shares shall be deemed to have been given if such notice is published once in each of the cities in which a register for holders of Voting Shares is maintained, such publication to be made in a daily newspaper (or, if no daily newspaper is being published, in such other publication in the area as the Corporation may determine) in the English or French language of general circulation in the designated city.

6.3 To exercise such conversion right a shareholder holding Voting Shares or his or her attorney duly authorized in writing shall:

(a) provide written notice to the transfer agent of: the exercise of such right; the number and class of Voting Shares in respect of which the right is being exercised; and, in the case of a shareholder holding a Multiple Voting Share, whether the conversion is being exercised in respect of Subordinate Voting Shares or Class A Non-Voting Shares;

(b) deliver to the transfer agent the share certificate or certificates representing the Voting Shares in respect of which the right is being exercised; and

(c) pay any governmental or other tax imposed on or in respect of such conversion.

6.4 In order to be entitled to convert Voting Shares, the holder must satisfy the conditions of this Article 6 no later than the fifth Business Day preceding the date of the meeting (or any adjourned or postponed meeting). The said Voting Shares shall be deemed to be converted at the Close of Business on such Business Day (in this paragraph referred to as the "**Conversion Date**") and from and after the Conversion Date such Voting Shares as are converted shall cease to be entitled to dividends payable in respect of the Voting Shares (except dividends for which the record date was on or prior to the Conversion Date) and the holders thereof shall not be entitled to exercise any of the rights of the holders of Voting Shares in respect thereof (including any applicable voting rights) but shall be entitled to dividends (except dividends for which the record date was on or prior to the Conversion Date) and the rights of holders of Class A Non-Voting Shares or Subordinate Voting Shares, as applicable (including any applicable voting rights). In particular, irrespective of the fact that the holders of the Class A Non-Voting Shares or Subordinate Voting Shares, as the case may be, issued upon the conversion of the Voting Shares were not shareholders as of the record date for the meeting of holders of Class A Non-Voting Shares or Subordinate Voting Shares, as the case may be, they shall be entitled to vote at such meeting and shall not be entitled to vote as holders of the Voting Shares which have been converted.

6.5 Notwithstanding the foregoing, the Corporation shall be obliged to convert Voting Shares so tendered for conversion only to the extent that, after taking into account the conversions, such conversion would not result in the Constrained Class holding more than the Maximum Aggregate Holdings and if such conversion of any such Voting Shares would result in the Maximum Aggregate Holdings being exceeded, the Corporation shall be obliged to convert only such lesser number of Voting Shares of each holder tendering Voting Shares for conversion as is such holder's pro rata share of the number of Voting Shares which may be converted without causing the Maximum Aggregate Holdings to be exceeded, treating Canadians and non-Canadians separately. Upon the acceptance of a shareholder's exercise of the conversion right in respect of the Voting Shares under this Article 6, a shareholder shall be entitled to have issued for his or her benefit a share certificate representing fully-paid Class A Non-Voting Shares or Subordinate Voting Shares, as the case may be, on the basis of one such share for each Voting Share converted. If less than all of the Voting Shares represented by any certificate are converted, a new certificate for the balance shall be issued.

6.6 In addition to the conversion right set out in this Article 6, the holders of Voting Shares of the Corporation shall have the right to convert Voting Shares which are "Excess Voting Shares" into Class A Non-Voting Shares in the manner and subject to the provisions as provided in Article 7 hereof.

7. **Share Ownership and Voting Restrictions on Voting Shares**

7.1 In this Article, unless there is something in the subject matter or context inconsistent therewith:

"Canadian" has the meaning set forth in the CRTC Direction;

"Directors' Determination" and similar expressions mean a determination made by the Directors of the Corporation in accordance with Section 7.16;

"Disposition Notice" has the meaning set forth in Section 7.7;

"Excess Voting Shares" means voting shares beneficially owned or controlled in contravention of the Non-Canadian Share Constraint;

"non-Canadian" has the meaning set forth in the CRTC Direction;

"Non-Canadian Share Constraint" has the meaning set forth in Section 7.3;

"Non-Canadian Voting Constraint" has the meaning set forth in Section 7.6;

"Principal Stock Exchange" means, at any time, the stock exchange in Canada on which the highest volume of voting shares is generally traded at that time, as determined by the Directors;

"**Restricted Percentage**" means 20% or such other percentage as may from time to time be prescribed by the CRTC Direction as the percentage of voting shares which may be beneficially owned and controlled, directly or indirectly, other than by Canadians, in order for a corporation to be a qualified corporation as defined in the CRTC Direction, provided that if no such percentage is prescribed, the relevant percentage shall be deemed to be 100%;

"**Shareholder Default**" has the meaning set forth in paragraph (d) of Section 7.7;

"**Shareholder's Declaration**" means a declaration made in accordance with Section 7.20;

"**suspension**" has the meaning set forth in Section 7.9 and "suspend", "suspended" and similar expressions have corresponding meanings; and

"**voting share**" means a share of any class of shares of the Corporation carrying voting rights under all circumstances or by reason of an event that has occurred and is continuing or by reason of a condition that has been fulfilled, and includes:

(a) a security that is convertible into such a share at the time a calculation of the percentage of shares owned and controlled by Canadians is made; and

(b) an option or a right to acquire such a share, or the security referred to in paragraph (a), that is exercisable at the time the calculation referred to in that paragraph is made.

7.2 Any provision of this Article 7 that may be read in a manner that is inconsistent with the CRTC Direction shall be read so as to be consistent therewith.

7.3 Non-Canadian shareholders shall not beneficially own or control, directly or indirectly, in the aggregate more than the Restricted Percentage of the issued and outstanding voting shares of the Corporation. The foregoing prohibition is referred to in this Article 7 as the "**Non-Canadian Share Constraint**".

7.4 In the event that it appears from the securities register of the Corporation, or in the event of a Directors' Determination, that there is a contravention of the Non-Canadian Share Constraint:

(a) the Corporation may, pursuant to a Directors' Determination, make a public announcement, whether by press release, newspaper advertisement or otherwise, reasonably expected to inform the markets on which voting shares are traded of the contravention; and

(b) the Corporation may refuse to:

(i) accept any subscription for voting shares from any non-Canadian;

(ii) issue any voting shares to any non-Canadian;

(iii) register or otherwise recognize the transfer of any voting shares from any Canadian to any non-Canadian; or

(iv) purchase or otherwise acquire any voting shares, except as provided in this Article 7.

7.5 In the event of a Directors' Determination that there is a contravention of the Non-Canadian Share Constraint and that to do so would be practicable and would not be unfairly prejudicial to, and would not unfairly disregard the interests of non-Canadians beneficially owning or controlling, directly or indirectly, voting shares the Corporation shall send a Disposition Notice to the registered or beneficial holders, directly or indirectly, of such of those voting shares as shall be chosen by the Board of Directors of the Corporation in its discretion.

7.6 The Corporation may, by Directors' Determination, suspend all rights of a shareholder to vote that would otherwise be attached to any voting shares beneficially owned or controlled, directly or indirectly, or considered by this Article 7 to be beneficially owned or controlled, directly or indirectly, by non-Canadians, so that the proportion of the voting shares beneficially owned or controlled, directly or indirectly, or considered by the CRTC Direction to be beneficially owned or controlled, directly or indirectly, by non-Canadians and with respect to which voting rights are not suspended, is reduced to not more than the Restricted Percentage of the total issued and outstanding voting shares of the Corporation. The voting rights referred to above shall be suspended by the Board of Directors in accordance with the manner provided for in Section 7.5.

7.7 Any notice (a "Disposition Notice") required to be sent to a registered or beneficial holder of voting shares pursuant to Section 7.5:

(a) shall, in addition to any other information which may be required by the CRTC Direction specify in reasonable detail the nature of the contravention of the Non-Canadian Share Constraint, the number of voting shares determined to be Excess Voting Shares and the consequences of the contravention specified in this Article 7;

(b) shall request an initial or further Shareholder's Declaration;

(c) shall specify a date, which shall be not less than 60 days after the date of the Disposition Notice, by which the Excess Voting Shares are to be sold or otherwise disposed of or, if the Directors determine it to be in the interests of the Corporation to permit a conversion, converted into Class A Non-Voting Shares as hereinafter provided in Section 7.14; and

(d) shall state that, unless the registered or beneficial holder either:

(i) sells or otherwise disposes of or converts the Excess Voting Shares into Class A Non-Voting Shares by the date specified in the Disposition Notice on a basis that does not result in any contravention of the Non-Canadian Share Constraint and provides to the Corporation, in addition to the Shareholder's Declaration requested pursuant to paragraph (b) of this Section 7.7, written evidence satisfactory to the Corporation of such sale, other disposition or conversion; or

(ii) provides to the Corporation, in addition to the Shareholder's Declaration requested pursuant to paragraph (b) of this Section 7.7, written evidence satisfactory to the Corporation that no such sale, other disposition or conversion of Excess Voting Shares is required;

such default (a "Shareholder Default") shall result in the suspension of voting rights pursuant to Section 7.9 and may result in the sale or conversion in accordance with Section 7.11 or 7.14 or repurchase or redemption in accordance with Section 7.12, and the Disposition Notice shall specify in reasonable detail the nature and timing of those consequences.

7.8 In the event that, following the sending of a Disposition Notice, written evidence is submitted to the Corporation for purposes of subparagraph (d)(ii) of Section 7.7, the Corporation shall assess the evidence as soon as is reasonably practicable and in any event shall give a second notice to the person submitting the evidence not later than ten days after the receipt thereof stating whether the evidence has or has not satisfied the Corporation that no sale or other disposition of Excess Voting Shares is required. If the evidence has so satisfied the Corporation, such Disposition Notice shall be cancelled and such second notice shall so state. If the evidence has not so satisfied the Corporation, such second notice shall reiterate the statements required to be made in such Disposition Notice pursuant to paragraphs (c) and (d) of Section 7.7. In either case, the 60 day period referred to in paragraph (c) of Section 7.7 shall automatically be extended to 60 days following the date of the second notice.

7.9 In the event of a Shareholder Default in respect of any registered or beneficial holder, directly or indirectly, of voting shares, then, without further notice to such registered or beneficial holder, the Corporation may suspend all rights of a shareholder to vote that would otherwise be attached to any voting shares beneficially owned and controlled, directly or indirectly, by non-Canadians in accordance with the manner set forth in Section 7.6 so that the Non-Canadian Share Constraint is not contravened.

7.10 The Directors shall cancel any suspension of voting shares of a registered or beneficial holder, directly or indirectly, and reinstate such registered or beneficial holder to the securities register of the Corporation for all purposes if they determine that, following the cancellation and reinstatement, none of such voting shares will be beneficially owned or controlled, directly or indirectly, in contravention of the Non-Canadian Share Constraint. For greater certainty, any such reinstatement shall permit, from and after the reinstatement, the exercise of all voting rights attached to the voting shares so reinstated but shall have no retroactive effect.

7.11 In the event of a Shareholder Default in respect of any registered or beneficial holder, directly or indirectly, of voting shares, the Corporation may elect, by way of a Directors' Determination, to sell, on behalf of such registered or beneficial holder, the Excess Voting Shares thereof on the terms set forth in Section 7.11 and Section 7.13 or to convert the Excess Voting Shares into Class A Non-Voting Shares on the terms set forth in Section 7.14.

The Corporation may sell any Excess Voting Shares in accordance with this Section 7.11:

(a) on the Principal Stock Exchange; or

(b) if there is no Principal Stock Exchange, on such other stock exchange or organized market on which the voting shares are then listed or traded as the Directors shall determine; or

(c) if the voting shares are not then listed on any stock exchange or traded on any organized market, in such other manner that is intended to obtain fair market value for the shares as the Directors shall determine.

The net proceeds of sale of Excess Voting Shares sold in accordance with this Section 7.11 shall be the net proceeds after deduction of any commission, tax or other cost of sale.

For all purposes of a sale of Excess Voting Shares in accordance with this Section 7.11, the Corporation is the agent and lawful attorney of the registered holder and the beneficial owner of the Excess Voting Shares.

7.12 In the event of a Shareholder Default in respect of any registered or beneficial holder, directly or indirectly, of voting shares and in the event that the Directors determine that a sale of Excess Voting Shares in accordance with Section 7.11 would have a material adverse effect on the market value of the shares, the Corporation may elect by Directors' Determination, subject to applicable law, to repurchase or redeem the Excess Voting Shares thereof, without further notice thereto, on the terms set forth in this Section 7.12 and Section 7.13.

The price paid by the Corporation to repurchase or redeem any Excess Voting Shares in accordance with this Section 7.12 shall be:

(a) the average of the closing prices per share of the voting shares on the Principal Stock Exchange (or, if there is no Principal Stock Exchange or if the requisite trading of voting shares has not occurred on the Principal Stock Exchange, such other stock exchange or such other organized market on which such requisite trading has occurred as the Directors shall determine) over the last ten trading days on which at least one board lot of voting shares has traded on the Principal Stock Exchange (or such other stock exchange or such other organized market) in the period ending on the trading day immediately preceding the repurchase or redemption date; or

(b) if the requisite trading of voting shares has not occurred on any stock exchange or other organized market, at their fair market value as of the date of repurchase or redemption as the Directors shall determine.

7.13 Further, the following shall apply in respect of any sale, repurchase or redemption of Excess Voting Shares:

(a) In the event of any sale or repurchase or redemption of Excess Voting Shares in accordance with Section 7.11 or 7.12, respectively, the Corporation shall, not later than ten days thereafter, deposit an amount equal to the amount of the net proceeds of sale or the repurchase or redemption price, respectively, in a special account in any bank or trust company in Canada selected by it. The amount of the deposit, less the reasonable costs of administration of the special account, shall be payable to the registered holder of the Excess Voting Shares sold or repurchased or redeemed on presentation and surrender by the registered holder to that bank or trust company of the certificate or certificates representing the Excess Voting Shares. Any interest earned on any amount so deposited shall accrue to the benefit of the Corporation.

(b) From and after any deposit made pursuant paragraph (a) of this Section 7.13, the registered or beneficial holder, directly or indirectly, shall not be entitled to any of the remaining rights of a registered or beneficial holder, directly or indirectly, in respect of the Excess Voting Shares sold or repurchased or redeemed, other than the right to receive the funds so deposited on presentation and surrender of the certificate or certificates representing the Excess Voting Shares sold or repurchased or redeemed.

(c) If a part only of the voting shares represented by any certificate are sold or repurchased or redeemed in accordance with Section 7.11 or 7.12, respectively, the Corporation shall, on presentation and surrender of such certificate and at the expense of the registered or beneficial holder, directly or indirectly, issue a new certificate representing the balance of the voting shares.

(d) So soon as is reasonably practicable after, and, in any event, not later than 30 days after, a deposit is made pursuant to paragraph (a) of this Section 7.13, the Corporation shall send a notice to the registered holder of the Excess Voting Shares sold or repurchased or redeemed and the notice shall, in addition to any other information required by the CRTC Direction, state:

(i) that a specified number of voting shares has been sold, repurchased or redeemed, as the case may be;

(ii) the amount of the net proceeds of sale or the repurchase or redemption price, respectively;

(iii) the name and address of the bank or trust company at which the Corporation has made the deposit of the net proceeds of sale or the repurchase or redemption price, respectively; and

(iv) all other relevant particulars of the sale, repurchase or redemption, respectively.

(e) For greater certainty, the Corporation may sell, repurchase or redeem Excess Voting Shares in accordance with Section 7.11 or 7.12, respectively, despite the fact that the Corporation does not possess the certificate or certificates representing the Excess Voting Shares at the time of the sale or repurchase or redemption. If, in accordance with Section 7.11, the Corporation sells Excess Voting Shares without possession of the certificate or certificates representing the Excess Voting Shares, the Corporation shall issue to the purchaser of such Excess Voting Shares or its nominee a new certificate or certificates representing the Excess Voting Shares sold. If, in accordance with Section 7.11 or 7.12, the Corporation sells or repurchases or redeems Excess Voting Shares without possession of the certificate or certificates representing the Excess Voting Shares and, after the sale or repurchase or redemption, a person establishes that it is a bona fide purchaser of the Excess Voting Shares sold or repurchased or redeemed, then, subject to applicable law, the Excess Voting Shares held or beneficially owned by the bona fide purchaser are deemed to be, from the date of the sale or repurchase or redemption by the Corporation, as the case may be, validly issued and outstanding voting shares in addition to the Excess Voting Shares converted and the voting rights applicable thereto shall be restored.

7.14 The following shall apply in respect of any conversion of the Excess Voting Shares:

(a) Upon receipt by the shareholder of a Disposition Notice that shareholder may, and in the event of a Shareholder Default in respect of any registered or beneficial holder, directly or indirectly, of voting shares, the Corporation may elect by Directors' Determination, without further notice, to convert the Excess Voting Shares into Class A Non-Voting Shares on a one for one basis on the terms provided in this Section 7.14. Notwithstanding the foregoing, the right of conversion contained herein shall not be available if at the time of the exercise thereof there are no Class A Non-Voting Shares issued and outstanding.

(b) The shareholder receiving the Disposition Notice may exercise the right of conversion by the deposit of the certificate or certificates representing the Excess Voting Shares at any time during usual business hours at the option of the holder at any office of any transfer agent of the Corporation at which the voting shares are transferable accompanied by a written instrument of surrender in form satisfactory to the Corporation duly executed by the registered or beneficial holder, or his attorney duly authorized in writing, in which instrument such holder may elect to convert only the Excess Voting Shares represented by such certificate or certificates, in which event the Corporation shall issue and deliver or cause to be delivered to such holder, at the expense of the registered or beneficial holder, a new certificate representing the voting shares represented by such certificate or certificates which have not been converted.

(c) As promptly as practicable after the deposit of any Excess Voting Shares for conversion, the Corporation shall issue and shall deliver or cause to be delivered to or upon the written order of the holder of the voting shares so surrendered, a certificate or certificates issued in the name of, or in such name or names as may be directed by, such holder representing the number of Class A Non-Voting Shares to which such holder is entitled. Such conversion shall be deemed to have been made at the Close of Business on the date such Excess Voting Shares shall have been deposited for conversion, so that the rights of the holder of such voting shares as the holder thereof shall cease at such time and the person or persons entitled to receive Class A Non-Voting Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Class A Non-Voting Shares at such time; provided, however, that no such deposit on any date when the Corporation's registers of transfers of Class A Non-Voting Shares shall be properly closed shall be effective to constitute the person or persons entitled to receive Class A Non-Voting Shares upon such conversion as the holder or holders of record of such Class A Non-Voting Shares on such date, but such deposit shall be effective to constitute the person or persons entitled to receive such Class A Non-Voting Shares as the holder or holders of record thereof for all purposes at the Close of Business on the next succeeding day on which such registers of transfers are open. For these purposes the date of deposit of any Excess Voting Shares for conversion shall be deemed to be the date when certificates representing such Excess Voting Shares are received by a transfer agent of the Corporation as provided in paragraph (b) of this Section 7.14.

(d) In the event of any conversion of Excess Voting Shares in accordance with this Section 7.14, the Corporation shall forthwith issue or cause to be issued to the registered or beneficial holder, directly or indirectly, of such Excess Voting Shares a share certificate representing the Excess Voting Shares converted to Class A Non-Voting Shares and shall cause such holder to be entered on the register of the Class A Non-Voting Shares.

(e) From and after the issue of any certificate for Class A Non-Voting Shares pursuant to paragraph (d) of this Section 7.14, the registered or beneficial holder, directly or indirectly, shall not be entitled to any of the remaining rights of a registered or beneficial holder, directly or indirectly, in respect of the Excess Voting Shares converted, other than the right to receive the certificate for the Class A Non-Voting Shares against surrender of the certificate or certificates representing the Excess Voting Shares converted.

(f) If a part only of the voting shares represented by any certificate are converted in accordance with paragraph (d) of this Section 7.14, the Corporation shall, on presentation and surrender of such certificate and at the expense of the registered or beneficial holder, directly or indirectly, issue a new certificate representing the balance of the voting shares.

(g) So soon as is reasonably practicable after, and, in any event, not later than 30 days after, the issue of a certificate for the Class A Non-Voting Shares pursuant to paragraph (d) of this Section 7.14, the Corporation shall send a notice to the registered or beneficial holder, directly or indirectly, of the Excess Voting Shares converted and the notice shall, in addition to any other information as may be required by the CRTC Direction, state:

(i) that a specified number of voting shares have been converted;

(ii) the name and address of the transfer agent at which the certificate for the Class A Non-Voting Shares is held; and

(iii) all other relevant particulars of the conversion.

7.15 Notwithstanding any other provision of this Article 7, a contravention of the Non-Canadian Share Constraint shall have no consequences except those that are expressly provided for in this Article 7. For greater certainty but without limiting the generality of the foregoing:

(a) no transfer, issue or ownership of, and no title to, voting shares;

(b) no resolution of shareholders (except to the extent that the result thereof is affected as a result of a Directors' Determination under Section 7.6); and

(c) no act of the Corporation, including any transfer of property to or by the Corporation;

shall be invalid or otherwise affected by any contravention of the Non-Canadian Share Constraint or the failure to make the adjustment required pursuant to the Non-Canadian Voting Constraint.

7.16 The Directors shall make any Directors' Determination contemplated by this Article 7:

(a) after the relevant Shareholder's Declarations have been requested and received by the Corporation, only:

(i) on a basis consistent with those Shareholder's Declarations; or

(ii) if the Directors are of the opinion that the Shareholder's Declarations do not contain adequate or accurate information and the Directors believe and have reasonable grounds for believing that they will not be subsequently provided with Shareholder's Declarations that do contain adequate and accurate information; or

(b) whether or not any Shareholder's Declaration has been requested or received by the Corporation, only if the Directors believe and have reasonable grounds for believing that they have sufficient information to make the determination, that the consequences of the Directors' Determination would not be inequitable to those affected by it and that it would be impractical, under all the circumstances, to request or to await the receipt of any Shareholder's Declaration;

and in any case, only subject to and in accordance with the CRTC Direction.

7.17 In administering the provisions of this Article 7, including, without limitation, in making any Directors' Determination in accordance with Section 7.16 or otherwise, the Directors may rely on any information on which the Directors consider it reasonable to rely in the circumstances. Without limiting the generality of the foregoing, the Directors may rely upon any Shareholder's Declaration, the securities register of the Corporation, the knowledge of any director, officer or employee of the Corporation or any advisor to the Corporation and the opinion of counsel to the Corporation.

7.18 In administering the provisions of this Article 7, including, without limitation, in making any Directors' Determination, the Directors shall act honestly and in good faith. Provided that the Directors so act, they shall not be liable to the Corporation and neither they nor the Corporation shall be liable to any holder or beneficial owner of voting securities or any other person for, nor with respect to any matter arising from or related to, any act or omission to act in relation to this Article 7.

7.19 Any Directors' Determination required or contemplated by this Article 7 shall be expressed and conclusively evidenced by a resolution duly adopted.

7.20 For purposes of monitoring the compliance with and of enforcing the provisions of this Article 7, the Directors may require that any registered holder or beneficial owner, directly or indirectly, or any other person of whom it is, in the circumstances, reasonable to make such request, file with the Corporation or its registrar and transfer agent a completed Shareholder's Declaration. The Directors shall determine from time to time written guidelines with respect to the nature of the Shareholder's Declaration to be requested, the times at which Shareholder's Declarations are to be requested and any other relevant matters relating to Shareholder's Declarations.

7.21 A Shareholder's Declaration shall be in the form from time to time determined by the Directors pursuant to Section 7.20 and, without limiting the generality of the foregoing, may be required to be in the form of a simple declaration in writing or a statutory declaration under the *Canada Evidence Act*. Without limiting the generality of its contents, any Shareholder's Declaration may be required to contain information with respect to:

(a) whether the person is the beneficial owner of or controls, directly or indirectly, particular voting securities or whether any other person is the beneficial owner of or controls, directly or indirectly, those voting securities; and

(b) whether the person or any other beneficial owner of the voting securities is a Canadian or non-Canadian.

7.22 The provisions of this Article 7 shall cease to be binding on the Corporation and its shareholders upon the repeal of the CRTC Direction and shall cease to be applicable and binding to the extent permitted by the Broadcasting Act and the Canadian Radio-television and Telecommunications Commission from time to time.

8. Right to Convert Class A Non-Voting Shares and Subordinate Voting Shares in Event of Certain Offers

8.1 For the purposes of this Article 8:

"Conversion Period" means the period of time commencing on the eighth day after the Offer Date and terminating on the Expiry Date;

"Converted Shares" means Multiple Voting Shares resulting from the conversion of Class A Non-Voting Shares or Subordinate Voting Shares into Multiple Voting Shares pursuant to Section 8.2;

"Exclusionary Offer" means an offer to purchase Multiple Voting Shares that:

(i) must, pursuant to applicable securities legislation or the requirements of a stock exchange on which the Multiple Voting Shares are then listed, be made to all or substantially all of the holders of the Multiple Voting Shares in a province of Canada to which the requirement applies; and

(ii) is not made concurrently with an offer to purchase Class A Non-Voting Shares and Subordinate Voting Shares that is identical to the offer to purchase Multiple Voting Shares with respect to price per share, percentage of outstanding shares for which the offer is made (exclusive of shares owned by the offeror immediately prior to the offer) and in all other material respects, except in respect of the conditions, if any, to which the offer to purchase Multiple Voting Shares may be subject, and that is unconditional except in respect of the right not to take up and pay for Class A Non-Voting Shares or Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for the Multiple Voting Shares; and

and for the purposes of this definition, if an offer to purchase Multiple Voting Shares would be an Exclusionary Offer except for the application of paragraph (ii), the varying of any term of such offer shall be deemed to constitute the making of a new offer unless an identical variation concurrently is made to the corresponding offer to purchase Class A Non-Voting Shares and Subordinate Voting Shares;

"Expiry Date" means the last date upon which holders of Multiple Voting Shares may accept an Exclusionary Offer;

"Joint Actor" has the meaning given to that term in the *Securities Act* (Quebec) as amended from time to time;

"Offer Date" means the date on which an Exclusionary Offer is made;

"Offeror" means a person or company that makes an offer to purchase Multiple Voting Shares, and includes any Joint Actor; and

"Transfer Agent" means the transfer agent for the time being of the Multiple Voting Shares.

8.2 Subject to Section 8.5, upon an Exclusionary Offer being made, each outstanding Class A Non-Voting Share and Subordinate Voting Share shall be convertible into one Multiple Voting Share at the option of the holder during the Conversion Period. To exercise such conversion right a shareholder or his attorney duly authorized in writing shall:

(a) give written notice to the Transfer Agent of the exercise of such right and of the number of Class A Non-Voting Shares or Subordinate Voting Shares in respect of which the right is being exercised;

(b) deliver to the Transfer Agent the share certificate or certificates representing the Class A Non-Voting Shares or Subordinate Voting Shares in respect of which the right is being exercised; and

(c) pay any governmental or other tax imposed on or in respect of such conversion.

Upon due exercise of the conversion right, a shareholder shall be entitled to be issued, in accordance with Section 8.4, a share certificate representing fully-paid Multiple Voting Shares. If the conversion right is exercised in respect of less than all of the Class A Non-Voting Shares or Subordinate Voting Shares represented by any share certificate, the holder shall also be entitled to receive a new share certificate representing the number of Class A Non-Voting Shares or Subordinate Voting Shares in respect of which the conversion right is not being exercised.

8.3 A holder of Converted Shares shall be deemed to have irrevocably elected to deposit all such shares pursuant to the Exclusionary Offer. If Converted Shares are subsequently withdrawn from an offer, the holder of such shares shall be deemed to have irrevocably elected to re-convert the withdrawn shares into the original Class A Non-Voting Shares or Subordinate Voting Shares, and the deemed election shall be effective from the time the shares are withdrawn. The holder of Converted Shares deposited pursuant to an Exclusionary Offer shall be deemed to have irrevocably elected to reconvert into the original Class A Non-Voting Shares or Subordinate Voting Shares such shares as are not taken up pursuant to the offer. The deemed election in respect of such shares shall be effective from the time immediately following that prescribed by applicable securities legislation for the Offeror to take up and pay for such shares as are to be acquired pursuant to the Exclusionary Offer. If, however, Converted Shares are not taken up as a result of the abandonment or withdrawal of an Exclusionary Offer, the deemed election in respect of such shares shall be effective from the time of the abandonment or withdrawal of the offer.

8.4 The Transfer Agent, on behalf of the holders of the Converted Shares, shall deposit pursuant to the Exclusionary Offer a share certificate or certificates representing the Converted Shares. No share certificate representing Converted Shares shall be delivered to the holders of the shares from which they were derived before such shares are deposited pursuant to the Exclusionary Offer. Upon completion of the offer, the Transfer Agent shall deliver to the holders entitled thereto all consideration paid by the Offeror for their Converted Shares pursuant to the offer. If Converted Shares are re-converted into Class A Non-Voting Shares or Subordinate Voting Shares pursuant to Section 8.3, the Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Class A Non-Voting Shares or Subordinate Voting Shares resulting from the re-conversion. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this Section 8.4.

8.5 Certain restrictions on the ability to convert and tender Class A Non-Voting Shares and Subordinate Non-Voting Shares:

(a) For the purposes of this Section 8.5, the following definitions apply

"**Certificate of Non-Participation**" means a certificate signed by or on behalf of a holder of Multiple Voting Shares, confirming:

(i) the number of Multiple Voting Shares owned by the shareholder;

(ii) that neither such shareholder nor a Joint Actor has made an Exclusionary Offer;

(iii) that such shareholder shall not tender any shares in acceptance of any Exclusionary Offer which has been made, including any varied form of such offer, without giving the Transfer Agent and the Secretary of the Corporation written notice of such acceptance or intended acceptance at least seven days prior to the Expiry Date; and

(iv) that such shareholder shall not transfer any Multiple Voting Shares, directly or indirectly, prior to the Expiry Date of any Exclusionary Offer which has been made without at least seven days prior to the Expiry Date giving the Transfer Agent and the Secretary of the Corporation written notice of such transfer or intended transfer, stating the names of the transferees, if known to the transferor, and the number of Multiple Voting Shares transferred or to be transferred to each transferee;

"Certificate of Retention" means a certificate signed by or on behalf of a holder of Multiple Voting Shares confirming the number of Multiple Voting Shares then owned by the holder and that such holder shall not:

(i) tender any shares in acceptance of any Exclusionary Offer without giving the Transfer Agent and the Secretary of the Corporation written notice of such acceptance or intended acceptance at least seven days prior to the Expiry Date;

(ii) make any Exclusionary Offer;

(iii) act jointly or in concert with any person or company that makes any Exclusionary Offer; or

(iv) transfer any Multiple Voting Shares, directly or indirectly, during the time at which any Exclusionary Offer is outstanding without at least seven days prior to the Expiry Date giving the Transfer Agent and the Secretary of the Corporation written notice of such transfer or intended transfer, stating the names of the transferees, if known to the transferor, and the number of Multiple Voting Shares transferred or to be transferred to each transferee;

"Notice of Tender" means a written notice given to the Transfer Agent and to the Secretary of the Corporation at least seven days prior to the Expiry Date of an Exclusionary Offer by a holder of Multiple Voting Shares, which notice states that such shareholder has or intends to tender shares in acceptance of an Exclusionary Offer;

"Notice of Transfer" means a written notice given to the Transfer Agent and to the Secretary of the Corporation at least seven days prior to the Expiry Date of an Exclusionary Offer by a holder of Multiple Voting Shares, which notice states that such shareholder intends to transfer or has transferred Multiple Voting Shares, directly or indirectly, during the time when the Exclusionary Offer is outstanding, and which states the names of the transferees, if known to the transferor, and the number of Multiple Voting Shares transferred or to be transferred to each transferee;

(b) Subject to paragraph (c) of this Section 8.5, the holders of Class A Non-Voting Shares and Subordinate Voting Shares shall not be entitled to convert such shares into Multiple Voting Shares if one or more Certificates of Retention or one or more Certificates of Non-Participation or a combination of the foregoing, representing, in the aggregate, more than fifty percent (50%) of the then outstanding Multiple Voting Shares, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror and any Joint Actor, have been duly delivered to the Transfer Agent and to the Secretary of the Corporation if delivered before any Exclusionary Offer has been made. A Certificate of Non-Participation shall be duly delivered to the Transfer Agent and to the Secretary of the Corporation if delivered before the end of the seventh day after any Exclusionary Offer has been made.

(c) Should a Notice of Tender or a Notice of Transfer be given when, by reason of the application of paragraph (b) of this Section 8.5, the holders of Class A Non-Voting Shares and Subordinate Voting Shares are not entitled to convert such shares into Multiple Voting Shares, the Transfer Agent shall forthwith upon receipt of such notice or forthwith after the seventh day following the Offer Date, whichever is later, deduct the number of Multiple Voting Shares to which the notice relates from the number of Multiple Voting Shares specified by Certificates of Retention and Certificates of Non-Participation, except that in the case of a Notice of Transfer, if the Transfer Agent is advised of the identity of the transferee, either by the Notice of Transfer or by the transferee in writing, and the transferee is a person or company from whom the Transfer Agent has a subsisting Certificate of Retention or subsisting Certificate of Non-Participation, no such deduction shall be made. If after any deduction made by the Transfer Agent in accordance with this paragraph, the number of Multiple Voting Shares represented by Certificates of Retention and Certificates of Non-Participation does not exceed 50% of the number of then outstanding Multiple Voting Shares, exclusive of shares owned immediately prior to the offer by the Offeror and any Joint Actor, paragraph (b) of this Section 8.5 shall cease to apply and the right to convert Class A Non-Voting Shares into Multiple Voting Shares shall arise and be in effect for the remainder of the Conversion Period.

8.6 As soon as reasonably possible after the seventh day following the Offer Date, the Corporation shall send to each holder of Class A Non-Voting Shares and Subordinate Voting Shares a notice advising each such holder whether a right to convert Class A Non-Voting Shares and Subordinate Voting Shares into Multiple Voting Shares has arisen and the reasons such a right has or has not arisen, as the case may be. If no right to convert Class A Non-Voting Shares and Subordinate Voting Shares into Multiple Voting Shares has arisen, but subsequently arises, by virtue of sub-paragraph (c) of Section 8.5 or otherwise, the Corporation shall forthwith send to the holders of Class A Non-Voting Shares and Subordinate Voting Shares a notice advising such holders that such a right has arisen, and the reasons therefor.

8.7 If a notice referred to in Section 8.6 discloses that the holders of Class A Non-Voting Shares and Subordinate Voting Shares are entitled to convert such shares into Multiple Voting Shares, the notice shall, in addition:

(a) disclose the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the offer;

(b) contain the information set out in Section 8.3; and

(c) be accompanied by a copy of the offer and all other material sent to holders of Multiple Voting Shares in respect of the offer.

As soon as reasonably possible after any additional material, including any notice of variation, is sent to the holders of Multiple Voting Shares in respect of the offer, the Corporation shall send a copy of such additional material to each holder of Class A Non-Voting Shares and Subordinate Voting Shares.

9. Conversion of Class A Non-Voting Shares by Canadians

9.1 A holder of Class A Non-Voting Shares shall have the right, at his or her option, to convert such Class A Non-Voting Shares into Subordinate Voting Shares on a one-for-one basis if such holder provides to the Corporation written evidence satisfactory to the Corporation that: (a) beneficial ownership and control of the Class A Non-Voting Shares is exercised, directly or indirectly, exclusively by one or more Canadians within the meaning of the CRTC Direction; and (b) the acquisition by such holder of all Class A Non-Voting Shares held by it was effected in conformity with these Articles. Any determination by the Directors in this regard shall be final and binding on the shareholder.

9.2 In administering the provisions of this Article 9, including, without limitation, in making any determination, the Directors may rely on any information on which the Directors consider it reasonable to rely in the circumstances. Without limiting the generality of the foregoing, the Directors may rely upon any Shareholder's Declaration, the securities register of the Corporation, the knowledge of any director, officer or employee of the Corporation or any advisor to the Corporation and the opinion of counsel to the Corporation.

9.3 In administering the provisions of this Article 9, including, without limitation, in making any determination, the Directors shall act honestly and in good faith, and subject to and in accordance with the CRTC Direction. Provided that the Directors so act, they shall not be liable to the Corporation and neither they nor the Corporation shall be liable to any holder or beneficial owner of voting securities or any other person for, nor with respect to any matter arising from or related to, any act or omission to act in relation to this Article 9.

9.4 Any determination of the Directors required or contemplated by this Article 9 shall be expressed and conclusively evidenced by a resolution duly adopted.

9.5 For purposes of this Article 9, the Directors may require that any registered holder or beneficial owner, directly or indirectly, or any other person of whom it is, in the circumstances, reasonable to make such request, file with the Corporation or its registrar and transfer agent a completed declaration (in this Article 9, a "**Shareholder's Declaration**"). The Directors shall determine from time to time written guidelines with respect to the nature of the Shareholder's Declaration to be requested, the times at which Shareholder's Declarations are to be requested and any other relevant matters relating to Shareholder's Declarations.

9.6 A Shareholder's Declaration shall be in the form from time to time determined by the Directors pursuant to Section 9.5 and, without limiting the generality of the foregoing, may be required to be in the form of a simple declaration in writing or a statutory declaration under the *Canada Evidence Act*. Without limiting the generality of its contents, any Shareholder's Declaration may be required to contain information with respect to:

(a) whether the person is the beneficial owner of or controls, directly or indirectly, particular voting securities or whether any other person is the beneficial owner of or controls, directly or indirectly, those voting securities; and

(b) whether the person or any other beneficial owner of the voting securities is a Canadian or non-Canadian.

9.7 The provisions of this Article 9 shall cease to be binding on the Corporation and its shareholders in the event of the automatic conversion of Class A Non-Voting Shares into Subordinate Voting Shares pursuant to Article 5 hereof.

10. **General Conditions**

10.1 From the time at which this Schedule I is effective there are no other classes of shares other than the Multiple Voting Shares, the Subordinate Voting Shares, the Class A Non-Voting Shares and the Preference Shares.

10.2 Save as aforesaid, each Multiple Voting Share, Subordinate Voting Share and Class A Non-Voting Share shall have the same rights and attributes and be the same in all respects.

10.3 Article 8 shall apply *mutatis mutandis* in the event of an Exclusionary Offer to purchase Class A Non-Voting Shares or Subordinate Voting Shares, such that shares of any class that are excluded from an Exclusionary Offer shall become convertible (on the terms of Article 8) into shares of the class which are the subject of an Exclusionary Offer. For such purposes, in the event that the Class A Non-Voting Shares or Subordinate Voting Shares are not listed on an organized stock market, the reference price for determining, pursuant to applicable securities legislation, whether an offer must be made to all or substantially all the holders of Class A Non-Voting Shares or is exempt from such requirement shall be the market price of the Multiple Voting Shares.

10.4 For purposes of these Articles, including, without limitation, the definition of "Exclusionary Offer", the Multiple Voting Shares, Subordinate Voting Shares and Class A Non-Voting Shares shall be deemed to be held exclusively by persons resident in Quebec and Ontario, such that the securities legislation of Quebec and Ontario shall apply to an offer for, or the acquisition of, Multiple Voting Shares, Subordinate Voting Shares or Class A Non-Voting Shares, as the case may be, even if no such shares are in fact held by persons resident in such provinces.

10.5 For purposes of any determination by the Directors pursuant to Section 5.6 or 9.1 as to whether the acquisition of Class A Non-Voting Shares was effected in conformity with these Articles, the Class A Non-Voting Shares, the Subordinate Voting Shares and the Multiple Voting Shares, shall be treated both as: (a) separate classes of shares; and (b) one class of shares.

10.6 The provisions of these Articles 1 through 10 may be deleted, amended, modified or varied in whole or in part upon the approval of any such amendment being given by the holders of the Multiple Voting Shares, the Subordinate Voting Shares and the Class A Non-Voting Shares by special resolution and as required by the Canada Business Corporations Act.

10.7 No power of the Directors hereunder may be delegated to any committee, person or persons, despite anything to the contrary contained in these Articles.

PREFERENCE SHARES

The Preference Shares shall, as a class, have attached thereto the following rights, privileges, conditions and restrictions:

(a) The Preference Shares may at any time and from time to time be issued in one or more series.

(b) The Directors of the Corporation may, by resolution and before the issue of shares of any particular series, amend the Articles of Arrangement of the Corporation to:

(i) fix the number of shares in and to determine the designation of the shares of each series; and

(ii) subject to subclauses (c) and (d) hereof, create, define and attach the rights, privileges, conditions and restrictions attaching to the shares of each series including, but without in any way limiting or restricting the generality of the foregoing, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration therefor, and the terms and conditions of any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation and voting rights and restrictions.

(c) Holders of Preference Shares shall be entitled, on the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on any distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, to receive before any distribution shall be made to holders of Participating Shares, Class A Non-Voting Shares or any other shares of the Corporation ranking junior to the Preference Shares with respect to repayment of capital, the amount paid up with respect to each Preference Share held by them together with the fixed premium, if any, all accrued and unpaid cumulative dividends (if any and if preferential) thereon which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distributions, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the holders of Preference Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation except as specifically provided in the rights, privileges, conditions and restrictions attached to any particular series.

(d) Except for such rights relating to the election of Directors on a default in payment of dividends as may be attached to any series of the Preference Shares by the Directors, holders of Preference Shares shall not be entitled as such to receive notice of, or to attend or vote at any meeting of the shareholders of the Corporation.

SCHEDULE 2

Other Provisions, if any

The board of directors of the Corporation may appoint additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, so long as the number of such additional directors so appointed does not exceed one third of the number of directors elected at the previous annual meeting of shareholders, the whole in accordance with section 106(8) of the *Canada Business Corporations Act*.

This is Exhibit "E" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

Duff & Phelps Canada Restructuring Inc
Bay Adelaide Centre
333 Bay Street, 14th Floor
Toronto, ON, M5H 2R2

DUFF & PHELPS

ACQUISITION OPPORTUNITY

39.2% Economic Interest in LOOK Communications Inc.

UBS Wireless Services Inc. ("Wireless") is a wholly-owned subsidiary of Unique Broadband Systems, Inc. ("UBS"). Wireless has a 39.2% economic interest and a 37.6% voting interest in LOOK Communications Inc. ("Look"), comprised of 24,864,478 multiple voting shares and 29,921,308 subordinate voting shares ("Ownership Interest").

Wireless is the largest shareholder of Look. The shares of Look are listed on the NEX under the symbols "LOK.H" (multiple voting shares) and "LOK.K" (subordinate voting shares). Information regarding Look is available at www.sedar.com.

UBS and Wireless (together, "Company") were granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") by the Ontario Superior Court of Justice on July 5, 2011. Duff & Phelps Canada Restructuring Inc. is the monitor in the CCAA proceedings ("Monitor").

Pursuant to a Court order issued on November 9, 2012, the Monitor has been authorized to conduct a sale process for the Ownership Interest. The Company's board of directors ("Board") will be actively involved in the sale process. The Board will review all offers. The Board is not obligated to accept the highest offer, or any offer, acting reasonably.

Wireless will only sell the Ownership Interest if the transaction is exempt from the prospectus requirements of securities laws. Specifically, to be exempt from prospectus requirements, the sale, if any, must be: a) for an amount not less than $150,000, or b) to a purchaser that is an "accredited investor" as defined in National Instrument 45-106 of the Canadian Securities Administrators. Details concerning the sale process can be obtained by contacting the Monitor. The deadline for submission of offers is December 10, 2012 at 4:00 pm (EST).

Parties interested in this opportunity should contact Noah Goldstein of the Monitor's office at (416) 932-6207.

Business Overview

Look formerly operated a technology business. The business has been discontinued. As at May 31, 2012, Look's assets and liabilities included:

- Cash and short term investments (approximately $19 million);
- Non-capital income tax losses (approximately $163 million);
- An action commenced in July, 2011 against certain of its former directors and officers seeking the recovery of approximately $15.7 million ("Action"); and
- Accounts payable and accrued liabilities (approximately $750,000).

On November 9, 2012 the Court approved a sale process for the Ownership Interest. The process is being conducted by the Monitor, with active involvement by the Board.

Significant dates in the sale process are as follows.

•	Offer deadline	December 10, 2012
•	Selection of final bidder, if any, and notification of acceptance, subject to Board and Court approval	December 17, 2012
•	Finalize sale documents	January 9, 2013
•	Application for Court approval	January 14, 2013
•	Close transaction	January 25, 2013

<u>Investment Highlights</u>

- ✓ Acquisition of a "control block" of Look, the shares of which trade publicly on the NEX
- ✓ Substantial "upside" if tax losses can be monetized
- ✓ Further "upside" if Look is successful in the Action

<u>Bid Process</u>

The Monitor has prepared a brief Information Memorandum ("IM"). The IM provides information regarding Look, the sale process and the procedures for submitting offers. An online data room has been set up by the Monitor. The IM and access to the data room are available to interested parties upon request to the Monitor.

The deadline for the submission of offers is December 10, 2012 at 4:00 pm (Toronto time).

Subject to Court approval, the Monitor reserves the right to cease or amend this offering at any time. The highest offer, or any offer, may not be accepted or recommended by the Monitor for Court approval.

The successful offeror, if any, may be required to make an offer to purchase the shares of all other shareholders of Look as required under applicable Canadian securities laws. Such obligation, if any, depends on the price being paid for the shares and the percentage of shares being acquired, among other things. Interested parties should consult with their legal counsel prior to submitting an offer.

The Monitor, in consultation with the Board, is amenable to extending the sale process deadlines to satisfy securities requirements.

All communications relating to this opportunity should be directed to:

DUFF & PHELPS CANADA RESTRUCTURING INC.
Bay Adelaide Centre
333 Bay Street, 14th Floor
Toronto, ON M5H 2R2
c/o Noah Goldstein
Telephone: (416) 932-6207
Facsimile: (647) 497-9473

This is Exhibit "F" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

SRG

Solmon Rothbart Goodman LLP
Barristers

Melvyn L. Solmon, B.A.Sc., LL.M. (Harv)**
Randall M. Rothbart, B.A., LL.B.
Mark L. Goodman, B.A., LL.B.
Avrum D. Slodovnick, LL.B.
Nancy J. Tourgis, B.Sc.N., LL.B.
James P. McReynolds, B.Comm., LL.B.
Raffaele Sparano, B.A.(Hon.), LL.B.
Matthew Valitutti, B.A., LL.B.
Cameron J. Wetmore, B.A.C.S., LL.B.
Ryan R. McKeen, B.A.(Hon.), J.D.
Eric P. Borzl, B.A.(Hon.), LL.B.

Member of the New York Bar **

January 21, 2013

VIA FACSIMILE 416-203-9231

Groia & Company Professional Corporation
- Lawyers
Wildeboer Dellelce Place
365 Bay Street
11th Floor
Toronto, Ontario   M5H 2V1

Attention: Mr. Gavin Smith

Dear Mr. Smith:

Re: **NWT Uranium Corp. et al. ats Unique Broadband Systems Inc.**
Court File No.: CV-11-9283-00CL
Our File No.: 17086

This will confirm that all agreements being signed today to give effect to the terms of a settlement to be approved by the Court involving the Jolian/McGoey claims and UBS claims against them, will be held in escrow and not be released from escrow until the Court sanctions the Plan of Compromise and the Plan is implemented. The settlement is part of the implementation of that Plan.

Yours very truly,

SOLMON ROTHBART GOODMAN LLP

Melvyn L. Solmon
MLS/lk

Cc: G. McGoey
D. Subotic
J. Zorbas
R. Dennan

msolmon@srglegal.com
375 University Ave., Suite 701, Toronto, ON M5G 2J5
T 416 947.1093   F 416 947.0079

This is Exhibit "G" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

SRG

Solmon Rothbart Goodman LLP
Barristers

Melvyn L. Solmon, B.A.Sc., LL.M. (Hons) **
Randall M. Rothbart, B.A., LL.B.
Mark L. Goodman, B.A., LL.B.
Avrum D. Slodovnick, LL.B.
Nancy J. Tourgis, B.Sc.H., LL.B.
James P. McReynolds, B.Comm., LL.B.
Raffaele Sparano, B.A.(Hon.), LL.B.
Matthew Valitutti, B.A., LL.B.
Cameron J. Wetmore, B.A.C.S., LL.B.
Ryan R. McKeen, B.A.(Hon.), J.D.
Eric P. Borzi, B.A.(Hon.), LL.B.

Member of the New York Bar **

January 21, 2013

VIA FACSIMILE 416-366-8571

McLean & Kerr LLP
130 Adelaide Street West
Suite 2800
Toronto, Ontario M5H 3P5

Attention: Mr. Michael Citak

Dear Mr. Citak:

Re: **NWT Uranium Corp. et al. ats Unique Broadband Systems Inc.**
Court File No.: CV-11-9283-00CL
Our File No.: 17086

This will confirm that all agreements being signed to give effect to the terms of a settlement to be approved by the Court involving the Douglas Reesons' claims and UBS claims against him, will be held in escrow and not be released from escrow until the Court sanctions the Plan of Compromise and the Plan is implemented. The settlement is part of the implementation of that Plan.

Yours very truly,

SOLMON ROTHBART GOODMAN LLP

Melvyn L. Solmon
MLS/lk

Cc: D. Subotic
J. Zorbas
R. Danon

msolmon@srglegal.com
375 University Ave., Suite 701, Toronto, ON M5G 2J5
T 416 947.1093 F 416 947.0079

This is Exhibit "H" referred to in
the Supplementary Affidavit of John Zorbas sworn before
me this 24th day of January, 2013

A Commissioner etc.

DUFF & PHELPS

Supplement to Eleventh Report to Court of Duff & Phelps Canada Restructuring Inc. as CCAA Monitor of Unique Broadband Systems, Inc. and UBS Wireless Services Inc.

November 5, 2012

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DUFF & PHELPS

Court File No.: CV-11-9283-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, C.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF
UNIQUE BROADBAND SYSTEMS, INC.

SUPPLEMENT TO ELEVENTH REPORT OF DUFF & PHELPS CANADA
RESTRUCTURING INC.
AS CCAA MONITOR OF
UNIQUE BROADBAND SYSTEMS, INC.
AND UBS WIRELESS SERVICES INC.

November 5, 2012

1.0 Introduction

This report ("Supplementary Report") supplements the Eleventh Report to Court dated October 15, 2012 ("Eleventh Report") filed by Duff & Phelps Canada Restructuring Inc. as Monitor in these proceedings.

1.1 Definitions

Unless otherwise stated, capitalized terms included in this Supplementary Report have the meaning provided to them in the Eleventh Report.

1.2 Purpose of this Supplementary Report

The purpose of this Supplementary Report is to, among other things, provide the Court with additional information on the Monitor's experience and capability to carry out the Sale Process. This information is being provided in the context of submissions made by counsel representing Jolian at a hearing before Justice Wilton-Siegel on October 31, 2012 and clarifications requested by Justice Wilton-Siegel during the hearing.

2.0 D&P

Duff & Phelps Canada Restructuring Inc. (formerly the Toronto restructuring practice of RSM Richter Inc.) ("D&P Canada") is an entity which provides restructuring and insolvency services in Canada, under the D&P investment banking umbrella. As part of its regular activities, D&P Canada is regularly involved developing sales processes and assisting in the sale of a variety of assets in many industries and geographies. In addition, D&P Canada has access to the expertise of Duff & Phelps which provides, *inter alia*, investment banking and other related services to middle market companies around the world. D&P employs approximately 300 individuals in its investment banking business.

In order to perform the present mandate, D&P Canada has retained Davies Ward Philips & Vineberg LLP to provide it with securities and other advice.

3.0 The Sale Process

During the Hearing, counsel to Jolian raised certain issues regarding the proposed Sale Process and, in particular, suggested that the Sale Process would violate Canadian securities law. It is the Monitor's understanding that the Sale Process will not violate any Canadian securities law. The legal issues concerning the Sale Process will be dealt with by the Monitor in a factum to be filed by its counsel. However, the issue of whether a shareholder meeting needs to be held regarding a potential sale is an important issue that needs to be addressed in this Supplementary Report.

Under the *Ontario Business Corporations Act* ("OBCA"), shareholder approval is required when a corporation intends to sell all or substantially all of its assets. The Monitor understands that pursuant to Section 184(3) of the OBCA the sale by Wireless of the Ownership Interest would, in the normal course, require shareholder approval.

However, section 36 of the CCAA makes clear that the Court may authorize the sale of assets by a corporation under CCAA protection without the requirement of shareholder approval (that is, in circumstances where shareholder approval would otherwise be necessary). Specifically, section 36(1) of the CCAA provides:

> "A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained."

Section 36 of the CCAA also provides a list of factors that a Court is to consider in determining whether to approve of the sale of assets by a debtor corporation.

Given the above, the Sale Process does not contemplate obtaining shareholder approval before a sale can be completed. The Sale Process does require Court approval to be obtained pursuant to section 36 of the CCAA.

It is the Monitor's view that it is appropriate that the Sale Process does not include shareholder approval given the protections provided by section 36 of the CCAA. Specifically, pursuant to that section, the Court is to consider, among other things, whether the sale process was reasonable in the circumstances, the effects of the proposed sale or disposition on the creditors and other interested parties, and whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

As a result, the Court will consider the propriety of any proposed sale and whether the value to be received for the sale is appropriate. The Court will also consider the effect or impact of the proposed sale on the shareholders of UBS. Any shareholder may attend at the hearing to approve a sale to either support or oppose the proposed sale.

It is the Monitor's view that the requirement to hold a shareholders' meeting prior to consummating a sale would detrimentally impact the Sale Process and the value that would otherwise be received for the Ownership Interest. Potential purchasers who are interested in making an offer to purchase the Ownership Interest require certainty regarding the ability to close the sale and the timing for such transaction. The requirement for shareholder approval will significantly negatively impact those two issues. Therefore, given the potential uncertainty associated with obtaining shareholder approval and the significant delay (approximately 60 days) to obtaining such approval, potential purchasers would be less inclined to put their best offer on the table for the Ownership Interest.

Therefore, the Monitor recommends that the Sale Process be approved, without the requirement for shareholder approval.

* * *

All of which is respectfully submitted,

Duff + Phelps Canada Restructuring Inc

DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS COURT APPOINTED CCAA MONITOR OF
UNIQUE BROADBAND SYSTEMS, INC.
AND UBS WIRELESS SERVICES INC.
AND NOT IN ITS PERSONAL CAPACITY