

CARDINAL FACTOR CORPORATION
Suite 100 - 489 King Street West
Toronto, Ontario, Canada. M5V 1K4

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "Meeting") of shareholders of CARDINAL FACTOR CORPORATION (the "Corporation") will be held at the offices of Blake, Cassels & Graydon LLP, Ottawa Room, 23rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, on Monday, July 30, 2001 at 4:00 p.m., Toronto time, for the following purposes:

- (a) to receive the Corporation's financial statements for the fiscal year ended January 31, 2001, together with the report of the auditors thereon;
- (b) to appoint Daren, Martenfeld, Carr, Testa and Company LLP, Chartered Accountants, as auditors for the ensuing year and to authorize the directors to fix their remuneration;
- (c) to elect directors; and
- (d) to transact such further and other business as may properly come before the meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it to Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West Toronto, Ontario, Canada. M5H 4C3, to be received no later than 4:00 p.m. (Toronto time) on Friday July 27, 2001, or if the Meeting is adjourned, no later than 24 hours, Saturdays and holidays excepted, prior to the time of any adjourned Meeting.

DATED at Toronto, Ontario this 26 of June, 2001.

BY ORDER OF THE BOARD

(signed) Thomas E. Reber
Director

(signed) Andrew C. Colebeck
President, CEO