Changes in the Company's accounting policies on transition from Canadian GAAP to IFRS with respect to the recognition and presentation of current and deferred income taxes are as follows:

INTER-COMPANY TRANSACTIONS

Canadian GAAP – Recognition of a deferred tax asset or liability for a temporary difference arising from inter-company transactions is prohibited. Such temporary differences may arise when the tax base of the asset in the buyer's jurisdiction differs from the carrying amount of the asset in the consolidated financial statements. Further, cash tax paid or recovered as a result of a transfer of an asset is recorded as a deferred tax asset or liability in the financial statements and recognized through tax expense when the asset leaves the Company or is otherwise utilized.

IFRS – There are no such exceptions under IFRS. Therefore, deferred tax is recognized for temporary differences arising on inter-company transactions measured at the tax rate of the buyer, and cash tax paid or recovered on inter-company transactions is recognized in the period incurred.

DEFERRED TAX ASSETS OF AN ACQUIRER COMPANY NOT PREVIOUSLY RECOGNIZED

Canadian GAAP – Previously unrecognized deferred tax assets of the acquirer company are recognized as part of the cost of the acquisition when such assets are more likely than not to be realized as a result of a business combination through goodwill.

IFRS – Previously unrecognized deferred tax assets of an acquirer company are recognized through earnings if realization is probable as a result of the business combination. As a result, the Company was required to recognize deferred tax assets of $14.1 million that become realizable as a result of the restatement of the 2007 FPI acquisition, in accordance with IFRS 3, in earnings.

ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS

Canadian GAAP – Benefits for uncertain tax positions are determined based on whether it is more likely than not that an uncertain tax position will be sustained upon examination and the amount of benefit recorded is based on the single best estimate of the amount to be realized.

IFRS – The provision for uncertain tax positions is a best estimate of the amount probable to be paid based on a qualitative assessment of all relevant factors. The Company determined that there was no impact on transition to IFRS with respect to the recognition and measurement of its uncertain tax positions.

ACCOUNTING FOR INCOME TAXES IN BUSINESS COMBINATIONS

Canadian GAAP – Changes to deferred income tax assets not previously recognized relating to pre-acquisition periods are adjusted through the purchase price allocation, first reducing goodwill and intangible assets associated with the business combination and, only after exhausting those amounts, reducing income tax expense.

IFRS – Changes to pre-acquisition acquiree deferred income tax assets not previously recognized beyond 12 months of the acquisition date are recorded to the income statement.

Reclassifications required on transition from Canadian GAAP to IFRS with respect to deferred taxes are as follows:

DEFERRED TAX RECLASSIFICATION

Canadian GAAP – Deferred taxes are split between current and non-current components on the basis of either (1) the underlying asset or liability or (2) the expected reversal of items not related to an asset or liability.

IFRS – All deferred tax assets and liabilities are classified as non-current.