



March 7, 2006

Open letter to Alberta Auction Markets

Re: Digital Manifest and A-Form Information Transfer

Dear Sir or Madam:

At our recent Board of Directors meeting a motion was passed directing LIS to pay \$0.15 per manifest provided digitally to LIS with LIS brand codes and LIS client number included in this electronic transfer. As well, LIS will pay \$0.15 per digital invoice provided with reference to the LIS client number for the automated generation of a transportation permit (A-Form). The motion pertaining to this policy is provided below:

Motion: Be it resolved that the Board set the fee for manifest entry by the auction market and the digital transfer of this information to LIS at \$0.15 per manifest. Also, LIS will pay \$0.15 per digital invoice that is used for A-Form generation.

This policy change has the potential to create a significant new revenue source for auction markets; as a point of reference please refer to the following analysis:

Auction Size	Avg # Manifests	Return	Avg # A-Forms	Return	Total Return / YR
>150 K	18,000	\$2,700	3,500	\$525	\$3,225
100 - 125 K	9,000	\$1,350	1,700	\$255	\$1,605
50 - 100 K	7,500	\$1,125	1,600	\$240	\$1,365
< 50 K	1,500	\$225	300	\$45	\$270

This analysis is based on average manifest and A-Form transaction activity in Alberta auction markets over the past 5 years by auction market size category.

Thank you for your consideration to this request and please feel free contact me directly if you have any questions or require clarification.

Yours truly,
Livestock Identification Services Ltd.

David Moss
Chief Operating Officer