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Joint Venture and City of Nanaimo Do Not Extend Agreement

Nanaimo, BC, March 31, 2010 – An agreement involving the joint venture between Suro Development Company/Millennium Nanaimo Properties Ltd. and the City of Nanaimo to construct a hotel adjacent to the Vancouver Island Conference Centre and residential units in the old foundry site, set to expire 2010-MAR-31 will not be extended.

"While Suro/Millennium expressed interest in continuing to work on the project, the City of Nanaimo will not be granting an extension," said Nanaimo Mayor John Ruttan. "We are disappointed that the agreement is going to lapse and the hotel has not proceeded, but we feel that over the long term this decision is in the best interests of the City and taxpayers. The lands are still great community assets and the City will continue to explore other development options, which could include Suro/Millennium or other partners."

"We would like to thank Mayor Ruttan and his staff for working with us with over the last number of months. Suro and Millennium worked very hard to get the project off the ground, investing three years and approximately \$1.6 million in the process," said Hank Jasper on behalf of Millennium. "We have brought the project to the development permit phase, which has enhanced its value and will make it attractive to other developers in the future."

"We felt the project would have complemented the Conference Centre that was built in partnership with our joint venture, and the City, but we recognize the need to let the agreement with Nanaimo come to an end," said Rhoda Katz of Suro Development Company. "Nanaimo has tremendous potential and it remains a City that we see very positively and will continue to look at in terms of future developments."

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