

*This prospectus supplement together with the short form base shelf prospectus to which it relates dated January 12, 2009, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus to which it relates dated January 12, 2009, as amended or supplemented, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Corporate Secretary of the Company at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3 Telephone: (416) 363 9491, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PROSPECTUS SUPPLEMENT

(to a Short Form Base Shelf Prospectus Dated January 12, 2009)

New Issue

May 29, 2009

**Brookfield Asset Management**



**\$500,000,000**

# BROOKFIELD ASSET MANAGEMENT INC.

## 8.95% Notes due 2014

We will pay interest on the notes each June 2 and December 2. We will make the first interest payment on December 2, 2009. Unless we redeem the notes earlier, the notes will mature on June 2, 2014. We may redeem some or all of the notes at any time at 100% of the principal amount plus a make-whole premium. We will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined herein).

**The notes will not be listed on a securities exchange or quotation system and consequently, there is no market through which the notes may be sold and purchasers may not be able to resell the notes purchased under this prospectus supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.**

	<u>Per Note</u>	<u>Total</u>
Public Offering Price .....	99.802%	\$499,010,000
Agents' Fees <sup>1</sup> .....	0.38%	\$1,900,000
Proceeds to Brookfield (before expenses).....	99.422%	\$497,110,000

Interest on the notes will accrue from June 2, 2009.

CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., HSBC Securities (Canada) Inc., and National Bank Financial Inc. (collectively, the “Agents”), as agents, conditionally offer the notes for sale on a best efforts basis subject to prior sale, if, as and when issued by us in accordance with the conditions contained in the agency agreement referred to under “Plan of Distribution”. In

<sup>1</sup> The Agents' fees for the notes is \$11.00 per \$1,000 principal amount of notes sold in the \$20,000,000 retail tranche and \$3.50 per \$1,000 principal amount for all other notes sold by the Agents.

connection with this offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Delivery of the notes, in book-entry form only, will be made on or about June 2, 2009.

**You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus supplement or the accompanying base shelf prospectus is accurate as of any date other than the date on the front of this prospectus supplement.**

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As used in this prospectus supplement, unless the context otherwise indicates, references to “we”, “us” and the “**Company**” refer to Brookfield Asset Management Inc. and references to “**Brookfield**” refer to the Company and its direct and indirect subsidiaries.

## DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying base shelf prospectus dated January 12, 2009 solely for the purpose of the notes offered hereunder. Other documents are also incorporated, or are deemed to be incorporated, by reference into the base shelf prospectus and reference should be made to the base shelf prospectus for full particulars thereof.

The following documents, filed with the securities regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference in, and form an integral part of, this prospectus supplement and the base shelf prospectus:

- (a) our annual information form dated March 26, 2009;
- (b) our audited comparative consolidated financial statements and the notes thereto as at and for the years ended December 31, 2008 and 2007, together with the report of the auditors thereon, found at pages 79 through 111 of our 2008 annual report;
- (c) the management's discussion and analysis for the audited comparative consolidated financial statements referred to in paragraph (b) above, found at pages 9 through 76 of our 2008 annual report;
- (d) our unaudited comparative interim consolidated financial statements as at and for the three months ended March 31, 2009 and 2008;
- (e) the management's discussion and analysis for the unaudited comparative interim consolidated financial statements referred to in paragraph (d) above; and
- (f) our management information circular dated March 9, 2009.

All of our documents of the type referred to above and any material change reports (excluding confidential reports) which are required to be filed by us with the Ontario Securities Commission after the date of this prospectus supplement and prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus supplement.

**Any statement contained in this prospectus supplement, the base shelf prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement, the base shelf prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.**

## SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement and the documents incorporated by reference herein contain forward-looking information and other "forward-looking statements", within the meaning of certain securities laws including Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this prospectus supplement, in other filings with Canadian regulators or the United States Securities and Exchange Commission or in other communications. These forward-looking statements include among others, statements with respect to our financial and operating objectives and strategies to achieve those objectives, capital committed to our funds, the potential growth of our asset management business and the related revenue streams therefrom, statements with respect to the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well

as the outlook for the Company's businesses and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions.

The words "believe", "expect", "anticipate", "intend", "estimate" and other expressions of similar import, or the negative variations thereof are predictions of or indicate future events, trends or prospects, identify forward-looking statements. Although the Company believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: economic and financial conditions in the countries in which we do business; the behavior of financial markets including fluctuations in interest and exchange rates; availability of equity and debt financing; strategic actions including dispositions; the ability to effectively integrate acquisitions into existing operations and the ability to attain expected benefits; tenant renewal rates; availability of new tenants to fill office property vacancies; tenant bankruptcies; the Company's continued ability to attract institutional partners to its specialty funds; adverse hydrology conditions; regulatory and political factors within the countries in which the Company operates; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; changes in accounting policies to be adopted under International Financial Reporting Standards; and other risks and factors detailed from time to time in the Company's Form 40-F filed with the United States Securities and Exchange Commission as well as other documents filed by the Company with the securities regulators in Canada and the United States including in its annual information form and management's discussion and analysis under the heading "Business Environment and Risks."

We caution that the forgoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the forgoing factors and other uncertainties and potential events. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may need to be updated as a result of new information, future events or otherwise.

## PRESENTATION OF FINANCIAL INFORMATION

**The Company publishes its consolidated financial statements in United States dollars. In this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "US\$" are to United States dollars and references to "Cdn\$" and "\$" are to Canadian dollars.**

## EARNINGS COVERAGE RATIOS

The Company's interest requirements for the 12 months ended December 31, 2008 and March 31, 2009 after giving effect to the issue of the notes and the Class A Preference Shares, Series 22 ("Series 22 Shares"), assuming the exercise in full of the Underwriters' Option, amounted to US\$2,213 million and US\$2,092 million, respectively. The Company's dividend requirements on all of its preference shares for the 12 months ended December 31, 2008 and March 31, 2009, after giving effect to the issue of the Series 22 Shares, and adjusted to a before tax equivalent using an effective tax rate of 28%, amounted to US\$104 million and US\$95 million, respectively. The Company's earnings before interest and income tax for the 12 months ended December 31, 2008 and March 31, 2009 after giving effect to the issue of the notes and the Series 22 Shares were US\$2,665 million and US\$2,355 million, respectively, which are 1.2 times and 1.1 times the Company's interest requirements for the respective periods.

## SUMMARY

*The following is a brief summary of the terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes" in this prospectus supplement and "Description of Debt Securities" in the base shelf prospectus.*

<b>Issuer</b> .....	Brookfield Asset Management Inc.
<b>Securities Offered</b> .....	\$500,000,000 principal amount of 8.95% notes due June 2, 2014.
<b>Maturity Date</b> .....	June 2, 2014.
<b>Interest Rate</b> .....	8.95% per annum.
<b>Interest Payment Dates</b> .....	June 2 and December 2 each year, beginning on December 2, 2009.
<b>Rank</b> .....	The notes will rank equally with other unsecured debt.
<b>Redemption</b> .....	The notes are redeemable, at any time at the Company's option, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest and a make-whole premium, as more fully described under "Description of the Notes — Optional Redemption".
<b>Further Issues</b> .....	We may from time to time, without the consent of the holders of the notes, create and issue further notes having the same terms and conditions in all respects as the notes being offered hereby, except for the issue date, the issue price and the first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the notes being offered hereby.
<b>Credit Ratings</b> .....	Moody's Investors Service Inc.: ..... Baa2 Standard & Poor's Rating Service:..... A- Fitch Ratings Ltd.:..... BBB+ DBRS Limited:..... A(low) See "Credit Ratings".
<b>Use of Proceeds</b> .....	The net proceeds from this offering will be used for general corporate purposes, which includes the repayment of certain bank and other indebtedness.
<b>Form and Denominations</b> .....	The notes will be represented by one or more fully-registered global securities registered in the name of a nominee of CDS Clearing and Depositing Services Inc. Beneficial interests in those fully-registered global securities will be in denominations of \$1,000 and integral multiples thereof. Except as described under "Description of the Notes" in this prospectus supplement and "Description of Debt Securities" in the base shelf prospectus, notes in definitive form will not be issued.
<b>Change of Control</b> .....	We will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined herein). See "Description of the Notes — Change of Control".

**Certain Covenants**..... The indenture governing the notes contains covenants that, among other things, restrict the Company’s ability to:

- create certain liens;
- declare or pay dividends or acquire capital stock or debt of the Company;
- incur payment restrictions that other parties impose; and
- consolidate, merge with a third party or transfer all or substantially all of its assets.

These covenants are subject to important exceptions and qualifications which are described under “Description of Debt Securities” in the base shelf prospectus and “Description of Notes” in this prospectus supplement.

**Risk Factors** ..... Investment in the notes involves certain risks. You should carefully consider the information in the “Risk Factors” section of this prospectus supplement and all other information included in this prospectus supplement and the accompanying base shelf prospectus and the documents incorporated by reference herein before investing in the notes.

## RISK FACTORS

An investment in the notes is subject to a number of risks. Before deciding whether to invest in the notes, investors should consider carefully the risks relating to the Company set forth below, in the accompanying base shelf prospectus and incorporated by reference in this prospectus supplement and the accompanying base shelf prospectus. Specific reference is made to the sections entitled “Business Environment and Risks” in the Company’s annual information form and in the management’s discussion and analysis of the Company, which are incorporated by reference in this prospectus supplement.

***The notes are unsecured and are subordinated to all of our existing and future secured indebtedness.***

The notes are unsecured and effectively subordinated in right of payment to all of the Company’s existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness. The indenture for the notes does not restrict the Company’s ability to incur additional indebtedness, including secured indebtedness generally, which would have a prior claim on the assets securing that indebtedness. In the event of the Company’s insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, the Company’s assets that serve as collateral for any secured indebtedness would be made available to satisfy the obligations to the Company’s secured creditors before any payments are made on the notes. See “Description of the Notes — General”.

***The notes are effectively subordinated to all liabilities of our subsidiaries.***

None of the Company’s subsidiaries has guaranteed or otherwise become obligated with respect to the notes. Accordingly, the Company’s right to receive assets from any of its subsidiaries upon such subsidiary’s bankruptcy, liquidation or reorganization and the right of holders of the notes to participate in those assets, is effectively subordinated to claims of that subsidiary’s creditors, including trade creditors.

## THE COMPANY

Brookfield is a global asset management company focused on property, power and infrastructure assets, has approximately US\$80 billion of assets under management and is co-listed on the New York Stock Exchange (“NYSE”) and Toronto Stock Exchange (“TSX”) under the symbols BAM and BAM.A, respectively, and on NYSE Euronext under the symbol BAMA. Brookfield’s registered office is Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3, Canada.

### Recent Developments

On April 17, 2009, we announced that the Company received approval from the TSX for its proposed normal course issuer bid to purchase up to 49,300,000 Class A Limited Voting Shares (“Class A Shares”). Purchases pursuant to the bid will be made through the facilities of the TSX and the NYSE. The period of the normal course issuer bid will extend from April 21, 2009 to April 20, 2010, or an earlier date should the Company complete its purchases. We will pay the market price at the time of acquisition for any Class A Shares purchased through the facilities of the TSX and the NYSE. All Class A Shares acquired by the Company under the normal course issuer bid will be cancelled. In accordance with the rules of the TSX, the maximum daily purchase on the TSX under this bid will be 300,457 Class A Shares, which is 25% of the average daily traded volume for the Class A Shares on the TSX, net of issuer bid purchases, for the six months ended March 31, 2009.

On May 27, 2009, the Company announced that it had entered into an agreement to sell 10,000,000 Series 22 Shares to a syndicate of underwriters for distribution to the public at a purchase price of \$25.00 per share for gross proceeds of \$250,000,000. The Company has also granted the underwriters an option, exercisable in whole or in part prior to closing, to purchase an additional 2,000,000 Class A Preference Shares, Series 22 at a purchase price of \$25.00 per share for gross proceeds of \$50,000,000. The offering is expected to close on or about June 4, 2009.

On May 28, 2009, the Company announced that it will enter into a £100 million, two-year bank facility for the Company’s European business.

## USE OF PROCEEDS

The net proceeds from this offering, after deducting the Agents' fees and the estimated expenses of the offering of \$450,000, will be \$496,660,000, and will be used by the Company for general corporate purposes, which includes the repayment of certain bank and other indebtedness.

## CREDIT RATINGS

The notes are rated Baa2 by Moody's Investors Service Inc. ("**Moody's**"), A- by Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. ("**S&P**"), BBB+ by Fitch Rating Ltd. ("**Fitch**") and A(low) by DBRS Limited ("**DBRS**").

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to the Moody's rating system, debt securities rated "Baa" are subject to moderate credit risk. They are considered medium-grade and may possess some speculative characteristics. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its corporate bond rating system. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, an obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligations is still strong. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The "BBB" rating category is the fourth highest used by Fitch, denotes "good credit quality" and is one of the 11 rating categories used by Fitch for long-term debt obligations. In addition, the plus and minus designations indicate relative strength within the respective rating categories. "BBB" ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse changes in circumstances or in economic conditions are more likely to impair this capacity.

DBRS' credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the DBRS rating system, an obligation rated "A" is satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities. The ratings from AA to C may be modified by the addition of a (high) or (low) modifier to show relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the notes may not reflect the potential impact of all risks on the value of the notes. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies. Prospective investors should consult the relevant Rating Agency with respect to the interpretation and implications of the ratings.

## DESCRIPTION OF THE NOTES

The following description of the particular terms and provisions of the notes supplements and, to the extent inconsistent therewith, replaces, the description of the Debt Securities set forth in the base shelf prospectus under "Description of Debt Securities", to which reference is hereby made. Other capitalized terms used and not defined in this prospectus supplement have the meanings ascribed to them in the base shelf prospectus or in the Indenture (as defined below). See "— Certain Definitions".

The notes will be issued as a separate series of debt securities under an indenture, dated as of September 20, 1995,

as supplemented by a First Supplemental Indenture dated as of October 3, 1995, a Second Supplemental Indenture dated December 15, 1998, a Third Supplemental Indenture dated December 12, 2001, a Fourth Supplemental Indenture dated June 17, 2002, a Fifth Supplemental Indenture dated March 4, 2003, a Sixth Supplemental Indenture dated March 4, 2003, a Seventh Supplemental Indenture dated June 14, 2005, an Eighth Supplemental Indenture dated April 25, 2007, a Ninth Supplemental Indenture dated April 25, 2007, a Tenth Supplemental Indenture dated December 15, 2008 and an Eleventh Supplemental Indenture to be dated June 2, 2009 (relating to this offering) (as supplemented, the “**Indenture**”), between the Company and Computershare Trust Company of Canada (formerly, Montreal Trust Company of Canada), as trustee (the “**Trustee**”). For a description of the rights attaching to different series of Debt Securities under the Indenture, see “Description of Debt Securities” in the base shelf prospectus. The Indenture is subject to the provisions of the *Business Corporations Act* (Ontario). The following statements relating to the notes and the Indenture are summaries and should be read in conjunction with the statements under “Description of Debt Securities” in the base shelf prospectus. Such information does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the notes and the Indenture, including the definition of certain terms therein.

As discussed in the base shelf prospectus, the Indenture is generally governed by the laws of the State of New York, and most of the offerings of Debt Securities prior to this offering were public offerings in the United States. As such, the Indenture was prepared based upon customary practice for such offerings in the United States and, accordingly, provides only for approvals of matters and other actions by holders of notes in writing (and does not expressly provide for meeting of holders of notes).

## **General**

The notes will be senior unsecured obligations of the Company, and will initially be limited to \$500,000,000 aggregate principal amount, all of which will be issued under the Eleventh Supplemental Indenture. The notes will mature on June 2, 2014. The notes will bear interest at the rate of 8.95% per annum from June 2, 2009, or from the most recent Interest Payment Date to which interest has been paid or provided for, payable semi-annually in arrears on June 2 and December 2 of each year, commencing on December 2, 2009, to the Persons in whose name the notes are registered at the close of business on the preceding May 2 or November 2, as the case may be. The notes will bear interest on overdue principal and premium, if any, and, to the extent permitted by law, overdue interest at 8.95% per annum plus 1%.

Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months. Principal of, and premium, if any, and interest on, the notes will be payable, and the notes may be presented for registration of transfer and exchange, at the office or agency of the Company maintained for that purpose in Toronto, Ontario and at any other office or agency maintained by the Company for such purpose (and, for notes that are not represented by a Global Note (as defined herein) at the office or agency of the Company maintained for that purpose in The City of Toronto), *provided* that at the option of the Company, payment of interest on the notes may be made by cheque mailed to the address of the Person entitled thereto as it appears in the Security Register or by wire transfer to an account maintained by the Person entitled thereto as specified in the Security Register.

The Company is structured as a holding company that conducts a significant proportion of its operating activities through subsidiaries. Although the notes are senior obligations of the Company, they are effectively subordinated to all existing and future liabilities of the Company’s consolidated subsidiaries and operating companies. The Indenture does not restrict the ability of the Company’s subsidiaries to incur additional indebtedness. Because the Company is a holding company, the Company’s ability to service its indebtedness is dependent on dividends and other payments made on its investments. Certain of the instruments governing the indebtedness of the companies in which the Company has an investment may restrict the ability of such companies to pay dividends or make other payments on investments under certain circumstances. Dividends paid in kind are excluded so long as they are retained in the same form as received and are legally and beneficially owned by the Company and/or one or more designated Affiliates of the Company.

## **Reopening of the Notes**

The Company may from time to time, without the consent of the holders of the notes, create and issue further notes having the same terms and conditions in all respects as the notes being offered hereby, except for the issue

date, the issue price and the first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the notes being offered hereby.

### **Optional Redemption**

The notes will be redeemable, in whole or in part, at our option at any time and from time to time at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed, and
- the Canada Yield Price (as defined below),

together with, in each case, accrued interest on the principal amount of the notes to be redeemed to the date of redemption.

In connection with such optional redemption, the following defined terms apply:

**“Canada Yield Price”** means a price equal to the price of the notes (or the portion thereof to be redeemed) which, if such notes were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to maturity equal to the Government of Canada Yield (as defined below), compounded semi-annually in arrears and calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the redemption date, plus 162 basis points.

**“Government of Canada Yield”** means, on any date, with respect to any notes, the effective yield to maturity on such date, compounded semi-annually in arrears, which an assumed new issue of non-callable Government of Canada bonds denominated in Canadian dollars would carry if issued in Canada at 100% of its principal amount on such date, with a term to maturity as nearly as possible equal to the remaining term to maturity of such notes. The Government of Canada Yield will be the average (rounded to four decimal points) of the offer-side yields provided by two investment dealers in accordance with the terms of the Ninth Supplemental Indenture.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the notes to be redeemed. On and after any redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption. On or before any redemption date, the Company shall deposit with the Trustee or with a Paying Agent money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If less than all the notes are to be redeemed, the notes to be redeemed shall be selected by the Trustee at the Company’s direction by such method as the Company and the Trustee shall deem fair and appropriate. The redemption price shall be calculated by the investment dealers and the Company, the Trustee and any Paying Agent for the notes shall be entitled to rely on such calculation.

### **Change of Control**

If a Change of Control Triggering Event (as defined below) occurs, unless we have exercised our right to redeem the notes as described above, we will be required to make an offer to repurchase all, or any part, (equal to \$1,000 or an integral multiple thereof) of each holder’s notes pursuant to the offer described below (the **“Change of Control Offer”**) on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the **“Change of Control Payment”**).

Within 30 days following any Change of Control Triggering Event, we will be required to mail a notice to holders of notes, with a copy to the Trustee, describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the **“Change of Control Payment Date”**), pursuant to the procedures required by the notes and described in such notice. We must comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a

result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control (as defined below) provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the Trustee the notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of notes or portions of notes being purchased by us.

The Paying Agent will be required to promptly mail to each holder who properly tendered notes, the purchase price for such notes and the Trustee will be required to promptly authenticate and mail (or cause to be transferred by book entry) to each such holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each new note will be in a principal amount of \$1,000 or an integral multiple thereof.

We will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

**“Below Investment Grade Rating Event”** means that on any day within the 60 day period (which shall be extended during an Extension Period) after the earlier of (1) the occurrence of a Change of Control or (2) public notice of the occurrence of a Change of Control or the intention by us to effect a Change of Control, the notes are rated below an Investment Grade Rating by at least three out of four of the Rating Agencies if there are four Rating Agencies or all of the Rating Agencies if there are less than four Rating Agencies. Notwithstanding the foregoing, a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Triggering Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings event). For the purpose of this definition, an “Extension Period” shall occur and continue for so long as the aggregate of (i) the number of Rating Agencies that have placed the notes on publicly announced consideration for possible downgrade during the initial 60-day period and (ii) the number of Rating Agencies that have downgraded the notes to below an Investment Grade Rating during either the initial 60-day period or the Extension Period is sufficient to result in a Change of Control Triggering Event should one or more of the Rating Agencies that have placed the notes on publicly announced consideration for possible downgrade subsequently downgrade the notes to below an Investment Grade Rating. The Extension Period shall terminate when two of the Rating Agencies (if there are four Rating Agencies) or one of the Rating Agencies (if there are less than four Rating Agencies) have confirmed that the notes are not subject to consideration for a possible downgrade, and have not downgraded the notes, to below an Investment Grade Rating.

**“Change of Control”** means the consummation of any transaction including, without limitation, any merger, amalgamation, arrangement or consolidation the result of which is that any person or group of related persons, other than us, our Subsidiaries, our or such Subsidiaries' employee benefit plans, or Management and/or any entity or

group of entities controlled by Management (provided that upon the consummation of a transaction by Management and/or an entity or group of entities controlled by Management, our Class A limited voting shares or other Voting Stock into which our Class A limited voting shares are reclassified, consolidated, exchanged or changed continue to be listed and posted for trading on a national securities exchange in the United States, Canada or Europe), becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of (i) more than 50% of the voting power of each class of our Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares or (ii) Voting Stock sufficient to enable it to elect a majority of the members of our board of directors. For the purposes of this provision, “person” and “group” have the meanings they have in Sections 13(d) and 14(d) of the Exchange Act.

For the purposes of the Indenture, an entity will be deemed to be controlled by Management if the individuals comprising Management are the beneficial owners, directly or indirectly, of, in aggregate, (i) more than 50% of the voting power of such entity’s voting stock measured by voting power rather than number of shares or (ii) such entity’s voting stock sufficient to enable them to elect a majority of the members of such entity’s board of directors (or similar body).

“**Change of Control Triggering Event**” means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

“**Investment Grade Rating**” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s, BBB- (or the equivalent) by S&P, BBB- (or the equivalent) by Fitch and BBB(low) (or the equivalent) by DBRS.

“**Management**” means our directors, officers or employees (or directors, officers or employees of our Subsidiaries) immediately prior to the consummation of any transaction, acting individually or together.

“**Rating Agencies**” means (1) each of Moody’s, S&P, Fitch and DBRS and (2) if any of the Rating Agencies cease to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Moody’s, S&P, Fitch or DBRS, or some or all of them, as the case may be.

The failure by us to comply with the obligations described under “— Change of Control” will constitute an event of default with respect to the notes.

The Change of Control Triggering Event feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings on the notes. Restrictions on our ability to incur liens are contained in the covenants as described in this prospectus supplement under “Description of the Notes—Covenants — Negative Pledge”.

## **Covenants**

The following covenants shall apply to the notes:

### ***Negative Pledge***

The Company will not, and will not permit any Principal Subsidiary (as defined herein) to, create any Lien on any of its property or assets to secure any indebtedness for borrowed money without in any such case effectively providing that the notes (together with, if the Company shall so determine, any other indebtedness of the Company or such Principal Subsidiary then existing or thereafter created which is not subordinate to the notes) shall be secured equally and ratably with (or prior to) such secured indebtedness, so long as such secured indebtedness shall be so secured; *provided*, however, that the foregoing restrictions shall not apply to:

- (a) Liens on any property or assets of any Person existing at the time such Person becomes a Principal Subsidiary, or arising thereafter pursuant to contractual commitments entered into prior to and not in contemplation of such Person becoming a Principal Subsidiary;
- (b) Liens on any property or assets of the Company or any Principal Subsidiary existing at the time of acquisition thereof (including acquisition through merger or consolidation) to secure, or securing, the payment of all or any part of the purchase price, cost of improvement or construction cost thereof or securing any indebtedness incurred prior to, at the time of or within 120 days after, the acquisition of such property or assets or the completion of any such improvement or construction, whichever is later, for the purpose of financing all or any part of the purchase price, cost of improvement or construction cost thereof or to secure, or securing, the repayment of money borrowed to pay, in whole or in part, such purchase price, cost of improvement or construction cost or any vendor's privilege or lien on such property securing all or any part of such purchase price, cost of improvement or construction cost, including title retention agreements and leases in the nature of title retention agreements (*provided* such Liens are limited to such property or assets and to improvements on such property);
- (c) Liens arising by operation of law;
- (d) any other Lien arising in connection with indebtedness of the Company and Principal Subsidiaries if, after giving effect to such Lien and any other Lien created pursuant to this clause (d), the aggregate principal amount of indebtedness secured thereby would not exceed 5% of the Company's Consolidated Net Worth; and
- (e) any extension, renewal, substitution or replacement (or successive extensions, renewals, substitutions or replacements), as a whole or in part, of any of the Liens referred to in paragraphs (a) through (c) above or any indebtedness secured thereby; *provided* that such extension, renewal, substitution or replacement Lien shall be limited to all or any part of substantially the same property or assets that secured the Lien extended, renewed, substituted or replaced (plus improvements on such property) and the principal amount of indebtedness secured by such Lien at such time is not increased.

#### ***Limitation on Restricted Payments***

The Company (a) will not declare or pay any dividend or make any distribution, of any kind or character (whether in cash, property or securities), in respect of any class of its Capital Stock or to the holders of any class of its Capital Stock (other than dividends or distributions payable solely in shares of its Capital Stock or in options, warrants or other rights to acquire its Capital Stock), (b) will not, and will not permit any Subsidiary of the Company to, directly or indirectly, purchase, redeem or otherwise acquire or retire for value (i) any Capital Stock of the Company or (ii) any options, warrants or rights to purchase or acquire shares of Capital Stock of the Company and (c) will not, and will not permit any Subsidiary of the Company to, redeem, defease (including, but not limited to, legal or covenant defeasance), repurchase (including pursuant to any provision for repayment at the option of the holder thereof), retire or otherwise acquire or retire for value prior to any scheduled maturity, mandatory repayment or mandatory sinking fund payment, Debt of the Company which is subordinate in right of payment to the notes, if at the time thereof:

- (i) an Event of Default or an event that, with the lapse of time or the giving of notice or both, would constitute an Event of Default, shall have occurred and be continuing, or
- (ii) upon giving effect to such payment, the Consolidated Net Worth of the Company would be less than US\$2 billion;

*provided*, however, that this provision will not be violated by reason of (i) the payment of any dividend within 60 days after declaration thereof if, at the date of such declaration, such payment would have complied with the foregoing provision and (ii) any refinancing or refunding of any Debt.

### ***Prohibition on Dividend and Other Payment Restrictions Affecting Principal Subsidiaries***

The Company will not, and will not permit any Principal Subsidiary to, create or suffer to exist any consensual encumbrance or restriction on the ability of any Principal Subsidiary (i) to pay, directly or indirectly, dividends or make any other distributions in respect of its Capital Stock or pay any Debt or other obligation owed to the Company or any Principal Subsidiary, (ii) to make loans or advances to the Company or any Principal Subsidiary or (iii) to transfer any of its property or assets to the Company or any other Principal Subsidiary.

### **Certain Definitions**

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all defined terms.

**“Lien”** means, with respect to any property or asset, any mortgage, charge, hypothecation, pledge, encumbrance on, or other security interest in, such property or asset.

**“Offer to Purchase”** means a written offer (the **“Offer”**) sent by the Company by first class mail, postage prepaid, to each Holder at his address appearing in the Security Register on the date of the Offer offering to purchase up to the principal amount of notes specified in such Offer at the purchase price specified in such Offer (as determined pursuant to the Indenture). Unless otherwise required by applicable law, the Offer shall specify an expiration date (the **“Offer Expiration Date”**) of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of such Offer and a settlement date (the **“Purchase Date”**) for purchase of notes within five Business Days after the Offer Expiration Date. The Company shall notify the Trustee at least 15 Business Days (or such shorter period as is acceptable to the Trustee) prior to the mailing of the Offer of the Company’s obligation to make an Offer to Purchase, and the Offer shall be mailed by the Company or, at the Company’s request, by the Trustee in the name and at the expense of the Company. The Offer shall contain information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will enable such Holders to make an informed decision with respect to the Offer to Purchase (which at a minimum will include (i) the most recent annual and quarterly financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in the documents required to be filed with the Trustee pursuant to the Indenture (which requirements may be satisfied by delivery of such documents together with the Offer), (ii) a description of material developments in the Company’s business subsequent to the date of the latest of such financial statements referred to in clause (i) (including a description of the events requiring the Company to make the Offer to Purchase), (iii) if applicable, appropriate *pro forma* financial information concerning the Offer to Purchase and the events requiring the Company to make the Offer to Purchase and (iv) any other information required by applicable law to be included therein). The Offer shall contain all instructions and materials necessary to enable such Holders to tender notes pursuant to the Offer to Purchase. The Offer shall also state:

1. the section of the Indenture pursuant to which the Offer to Purchase is being made;
2. the Offer Expiration Date and the Purchase Date;
3. the aggregate principal amount of the Outstanding notes offered to be purchased by the Company pursuant to the Offer to Purchase (including, if less than 100%, the manner by which such amount has been determined) (the **“Purchase Amount”**);
4. the purchase price to be paid by the Company for each US\$1,000 aggregate principal amount of notes accepted for payment (as specified pursuant to the Indenture) (**“Purchase Price”**);
5. that the Holder may tender all or any portion of the notes registered in the name of such Holder and that any portion of a note tendered must be tendered in an integral multiple of US\$1,000 principal amount;
6. the place or places where notes are to be surrendered for tender pursuant to the Offer to Purchase;

7. that interest on any note not tendered or tendered but not purchased by the Company pursuant to the Offer to Purchase will continue to accrue;
8. that on the Purchase Date, the Purchase Price will become due and payable upon each note being accepted for payment pursuant to the Offer to Purchase and that interest thereon shall cease to accrue on and after the Purchase Date;
9. that each Holder electing to tender a note pursuant to the Offer to Purchase will be required to surrender such note at the place or places specified in the Offer prior to the close of business on the Offer Expiration Date (such note being, if the Company or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee, duly executed by, the Holder thereof or his attorney duly authorized in writing);
10. that Holders will be entitled to withdraw all or any portion of notes tendered if the Company (or its Paying Agent) receives, not later than the close of business on the Offer Expiration Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the note the Holder tendered, the certificate number of the note the Holder tendered and a statement that such Holder is withdrawing all or a portion of his tender;
11. that (a) if notes in an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase all such notes and (b) if notes in an aggregate principal amount in excess of the Purchase Amount are tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase notes having an aggregate principal amount equal to the Purchase Amount on a *pro rata* basis (with such adjustments as may be deemed appropriate so that only notes in denominations of US\$1,000 or integral multiples thereof shall be purchased); and
12. that in the case of any Holder whose note is purchased only in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such note without service charge, a new note, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unpurchased portion of the note so tendered.

Any Offer to Purchase shall be governed by and effected in accordance with the Offer for such Offer to Purchase.

**“*pari passu*”**, when used with respect to the ranking of any Debt of any Person in relation to other Debt of such Person, means that each such Debt (a) either (i) is not subordinated in right of payment to the same Debt of such Person or (ii) is subordinate in right of payment to the same Debt of such Person as is the other and is so subordinate to the same extent and (b) is not subordinate in right of payment to the other or to any Debt of such Person as to which the other is not so subordinate.

**“*Principal Subsidiary*”** means any direct or indirect Subsidiary of the Company whose securities are not publicly traded or registered or qualified under applicable securities laws and whose primary purpose is to hold, directly or indirectly, or the majority of whose assets consist of direct or indirect interests in, shares of capital stock of Brookfield Properties Corporation or Brookfield Renewable Power Inc. at the date of issuance of the notes.

**“*Subsidiary*”** of any Person means (i) a corporation 50% or more of the combined voting power of the outstanding Voting Stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

**“*Voting Stock*”** of any Person means Capital Stock of such Person which ordinarily has voting power for the election of directors (or persons performing similar functions) of such Person, whether at all times or only so long as

no senior class of securities has such voting power by reason of any contingency.

### **Book-Entry System**

Except as otherwise provided below, the notes will be issued in “book-entry only” form and must be purchased or transferred through participants (“**Participants**”) in the depository service of CDS Clearing and Depository Services Inc. (“**CDS**”) or a successor, which include securities brokers and dealers, banks and trust companies. The notes will be represented by one or more global notes (collectively, the “**Global Notes**”) registered in the name of CDS, or its nominee, as depository. The provisions set forth under “Description of Debt Securities — Registered Global Securities” in the accompanying base shelf prospectus will be applicable to the notes. Accordingly, beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its Participants. Except as described under “Description of Debt Securities — Registered Global Securities” in the base shelf prospectus, owners of beneficial interests in the Global Notes will not be entitled to receive notes in definitive form and will not be considered holders of notes under the Indenture.

### ***Transfers***

Transfers of ownership in the notes will be effected only through records maintained by CDS or its nominee for such notes with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Noteholders who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in the notes, may do so only through Participants.

The ability of a holder of notes to pledge a note or otherwise take action with respect to such holder’s interest in the note (other than through a Participant) may be limited due to the lack of a physical certificate.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Torys LLP, counsel to the Company, and Goodmans LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of the notes (a “**Holder**”) who acquires notes pursuant to this prospectus supplement and who, at all relevant times, for purposes of the Income Tax Act (Canada) (the “**Tax Act**”), is resident in Canada, holds the notes as capital property and deals with the Company at arm’s length and is not affiliated with the Company. Generally, the notes will be considered capital property to a Holder provided that the Holder does not acquire or hold the notes in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders whose notes might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), a Holder an interest in which is a “tax shelter investment” or a Holder that has elected to report its “Canadian tax results” in a “functional currency” (all as defined in the Tax Act). Such Holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based upon the facts set out in the prospectus and this prospectus supplement, the current provisions of the Tax Act and the regulations thereunder in force at the date of this prospectus supplement, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current administrative policies or assessment practices published in writing by the Canada Revenue Agency (the “**CRA**”). There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of the notes, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

### ***Interest***

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a note that accrues or is deemed to accrue to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest was otherwise included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual or a trust of which neither a corporation or a partnership is a beneficiary, will be required to include in income for a taxation year any interest on a note received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Company to a Holder because of the redemption by it of a note before maturity thereof will generally be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of, the interest that would have been paid or payable by the Company on the note for a taxation year ending after the redemption.

### ***Disposition***

On a disposition or deemed disposition of a note, whether on redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in income the amount of interest accrued or deemed to accrue on the note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year. In general, a disposition or deemed disposition of a note will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any other amount included in computing income and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the note to the Holder immediately before the disposition.

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year generally must be included in the Holder's income for that year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year may generally be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual (other than certain specified trusts) may give rise to liability for alternative minimum tax.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including amounts of interest and taxable capital gains.

## **PLAN OF DISTRIBUTION**

Under the terms and subject to the conditions contained in an agency agreement dated May 27, 2009 between the Agents and the Company, the Agents have agreed to offer the notes for sale, as agents of the Company, on a best efforts basis, if, as and when issued by the Company.

The terms for the notes were established by negotiation between the Agents and the Company. The Agents will

receive a fee equal to \$11.00 per \$1,000 principal amount of notes sold in the \$20,000,000 retail tranche and \$3.50 per \$1,000 principal amount for all other notes sold by the Agents, and will be reimbursed for reasonable out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fees payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the notes offered hereby, the Agents will not be obligated to purchase notes that are not sold.

Subscriptions for the notes will be received by the Agents subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The notes will not be listed on any securities exchange or quotation system and consequently, there is no market through which these securities may be sold and purchasers may not be able to resell the securities purchased under this prospectus supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.

The distribution of this prospectus supplement and the offering and sale of the notes are subject to certain restrictions under the laws of certain jurisdictions outside of Canada. Each Agent has agreed that it will not offer for sale or sell or deliver the notes in any such jurisdiction except in accordance with the laws thereof.

The Agents may not, throughout the period of distribution under this prospectus supplement, bid for or purchase notes. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the under the Universal Market Integrity Rules for Canadian Marketplaces of Market Regulation Services Inc. relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Company has agreed to indemnify the Agents against certain liabilities, including liabilities under Canadian provincial securities legislation.

In the ordinary course of their respective businesses, the Agents and their affiliates may have engaged, and may engage in the future, in commercial banking and/or investment banking transactions with us and our affiliates for which they received or will receive customary fees.

## **EXPERTS**

Certain legal matters relating to the notes offered by this prospectus supplement will be passed upon at the date of closing on behalf of the Company by Torys LLP and on behalf of the Agents by Goodmans LLP. As of May 29, 2009, the partners and associates of each of Torys LLP and Goodmans LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the prospectus supplement dated May 29, 2009 to a short form base shelf prospectus of Brookfield Asset Management Inc. (the "Company") dated January 12, 2009 relating to the issue and sale of up to \$500,000,000 aggregate principal amount of 8.95% Notes due June 2, 2014 of the Company (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the board of directors and shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of income, retained earnings, comprehensive (loss) income, accumulated other comprehensive (loss) income and cash flows for the years then ended. Our report is dated March 13, 2009.

Toronto, Ontario

(signed) DELOITTE & TOUCHE LLP

May 29, 2009

Independent Registered Chartered Accountants  
Licensed Public Accountants

**CERTIFICATE OF THE AGENTS**

Date: May 29, 2009

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

By: (signed) SEAN GILBERT

By: (signed) TUSHAR KITTUR

SCOTIA CAPITAL INC.

TD SECURITIES INC.

By: (signed) D. GREGORY LAWRENCE

By: (signed) PATRICK SCACE

BMO NESBITT BURNS INC.

HSBC SECURITIES (CANADA) INC.

By: (signed) JEFFREY P. WATCHORN

By: (signed) NICOLE CATY

NATIONAL BANK FINANCIAL INC.

By: (signed) DARIN DESCHAMPS