

FORM 15
 (sections 66 and 78 of *The Securities Regulations*)
The Securities Act, 1988

Information Required in Prospectus of a Natural Resource Company

ITEM 1 – Distribution Spread:

The information called for by the following table shall be given, in substantially the tabular form indicated, on the first page of the prospectus as to all securities being offered for cash (estimate amounts, if necessary).

TABLE

	<i>Column 1</i> <i>Price to public</i>	<i>Column 2</i> <i>Underwriting discounts, commissions, or mark-ups</i>	<i>Column 3</i> <i>Proceeds to issuer or selling security-holder</i>
Per unit
Total

INSTRUCTIONS:

1. Only commissions paid or payable in cash or discounts granted by the issuer or selling security holder and mark-ups by whomever paid are to be included in the table. Commissions or other consideration paid or payable in cash or otherwise by other persons of companies and consideration other than discounts granted and other than cash paid or payable by the issuer or selling security holder, except mark-ups, shall be set out following the table with a reference thereto in the second column of the table. Any finder's fee or similar payments shall be appropriately disclosed.
2. The table should set out separately those securities which are underwritten, those under option and those to be sold on a "best efforts" basis.
3. If the presentation of information in the form contemplated herein results in unnecessary complication, the tabular form may, with the consent of the Director, be varied.
4. If it is impracticable to state the offering price, the method by which it is to be determined shall be explained. In addition, if the securities are to be offered at the market, indicate the market involved and the market price as of the latest practicable date.
5. If any of the securities offered are to be offered for the account of existing security holders, refer on the first page of the prospectus to the information called for by Instruction 4 to Item 26. State the portion of the expenses of distribution to be borne by the selling security holder. State that the securities of the selling security holder will not be sold until distribution of the issuer's securities is completed.
6. If debt securities are to be offered at a premium or a discount, state in bold face type the effective yield if held to maturity.

ITEM 2 – Plan of Distribution:

- (a) If the securities being offered are to be sold through underwriters, give the names in full and addresses in full of the underwriters. State briefly the nature of the underwriters' obligation to take up and pay for the securities. Indicate the date by which the underwriters are to purchase the securities.
- (b) Furnish the following information, if possible in tabular form: rights under option and underwriting agreements to purchase securities from the issuer or any of its subsidiaries which are outstanding as of a specified date within thirty days prior to the date of the preliminary prospectus or pro forma prospectus, or which are proposed to be given and particulars of sub-option and sub-underwriting agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements.
- (c) State briefly the discounts, commissions and mark-ups to be allowed or paid to registrants, if not disclosed in Item 1, including all cash, securities, contracts or other consideration to be received by any registrant in connection with the sale of the securities.
- (d) Outline briefly the plan of distribution of any securities being offered that are to be offered otherwise than through underwriters. Where there is a "best efforts" offering, indicate, where practicable, on the first page the minimum amount, if any, required to be raised, and also indicate, where practicable, the maximum amount that could be raised and the latest date that the offering is to remain open.

INSTRUCTIONS:

1. All that is required as to the nature of the underwriters' obligation is whether the underwriters are or will be committed to take up and pay for all of the securities if any are taken up, or whether the underwriting is merely an agency or "best efforts" arrangement under which the underwriters are required to take up and pay for only such securities as they may sell.
2. Describe the options, stating the material provisions including:
 - (i) the designation and number of the securities called for by such options;
 - (ii) the purchase prices of the securities called for and the expiration dates of such options; and
 - (iii) the market value of the securities called for by such options at the latest practicable date.
3. Where an underwriting is subject to a "market out" clause, a statement in the prospectus under Plan of Distribution should be made with respect to the "market out" clause.

A sample paragraph is as follows:

Plan of Distribution

"Under an agreement dated _____ 19__ between the company and _____ as underwriter, the company has agreed to sell and the underwriter has agreed to purchase on _____ 19__ the _____ at a price of \$ _____ payable in cash to the company against delivery.

The obligations of the underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial

markets and may also be terminated upon the occurrence of certain stated events. The underwriter is,

however, obligated to take up and pay for all of the _____ if any of the _____ are purchased under the agreement”.

ITEM 3 – Market for Securities:

Where no *bona fide* market exists, or will exist after the distribution, state in bold face type on the first page: “There is no market through which these securities may be sold”. Disclose how the price paid to the company was established, whether by negotiation with the underwriter, arbitrarily by the company or otherwise.

ITEM 4 – Summary of Prospectus:

Give a synopsis near the beginning of the prospectus of that information in the body of the prospectus which in the opinion of the issuer or selling security holder would be most likely to influence the investor’s decision to purchase the security.

INSTRUCTIONS:

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in item 10, particularly pertinent to a decision to purchase the securities offered, including information about both the issuer and the securities.
2. Appropriate cross reference may be made to items in the prospectus where information is difficult to summarize accurately, but this shall not detract from the necessity to have the salient points summarized in the summary.

ITEM 5 – Use of Proceeds to Issuer:

- (a) State the estimated net proceeds to be derived by the issuer from the sale of the securities to be offered, the principal purposes for which the net proceeds are intended to be used and the approximate amount intended to be used for each purpose.
- (b) State the particulars of any provisions of arrangements made for holding any part of the net proceeds of the issue in trust or subject to the fulfilment of any conditions.
- (c) Where the issuer is a related issuer or connected issuer of an underwriter, state a summary of the nature of the relationship or connection between the underwriter and the issuer and state the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or any related issuer of the underwriter. Where the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state. Make a cross-reference to the information in the prospectus required by item 29a.

INSTRUCTIONS:

1. Statements as to the principal purposes to which the proceeds are to be applied are to be reasonably specific although details of the particulars of proposed expenditures are not to

be given except as otherwise required hereunder. The phrase “for general corporate purposes” is, in most cases, not sufficient. Specify whether unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the company. Give details of the arrangements made for, and the persons responsible for the supervision of the trust or escrow account or the investments of unallocated funds and the investment policy to be followed. Where unallocated funds are to be added to working capital, indicate the reason for doing so.

2. Include a statement regarding the proposed use of the actual proceeds if they should prove insufficient to accomplish the purposes set out and the order of priority in which they will be applied. However, the statement need not be made if the underwriting arrangements are such that, if any securities are sold, it can be reasonably expected that the actual proceeds of the issue will not be substantially less than the estimated aggregate proceeds to the issuer as shown under Item 1.
3. If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds. If any material parts of the proceeds is to be used to reduce or retire indebtedness, this item is to be answered as to the use of the proceeds of that indebtedness, if the indebtedness was incurred within the two preceding years.
4. If any material amount of the proceeds is to be used directly or indirectly to acquire assets, otherwise than in the ordinary course of business, briefly describe the assets and, where known, the particulars of the purchase price being paid for or being allocated to the respective categories of assets (including intangible assets) that are being acquired and, where practicable and meaningful, give the name of the person or company from whom the assets are to be acquired. State the cost of the assets to the issuer and the principle followed in determining the cost. State briefly the nature of the title to or interest in the assets to be acquired by the issuer. If any part of the consideration for the acquisition of any of the assets consists of securities of the issuer, give brief particulars of the designation, number or amount, voting rights (if any) and other appropriate information relating to the class of securities, including particulars of any allotment or issuance of any such securities within the two preceding years.
5. See also item 29a.

ITEM 6 – Sales Otherwise than for Cash:

If any of the securities being offered are to be offered otherwise than for cash, state briefly the general purposes of the issue, the basis upon which the securities are to be offered, the amount of compensation paid or payable to any person or company and any other expenses of distribution, and by whom they are to be borne.

INSTRUCTIONS:

If the offer is to be made pursuant to a plan of acquisition, describe briefly the general effect of the plan and state when it became or is to become operative.

ITEM 7 – Share and Loan Capital Structure:

Furnish in substantially the tabular form indicated or where appropriate in notes thereto:

- (i) particulars of the share and loan capital of the issuer;
- (ii) particulars of the loan capital of each subsidiary of the issuer (other than loan capital owned by the issuer or its wholly-owned subsidiaries) whose financial statements are contained in the prospectus on either a consolidated or individual basis;
- (iii) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on a consolidated basis; and
- (iv) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on an individual basis and not included in the consolidated financial statements.

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>	<i>Column 5</i>
<i>Designation of security</i>	<i>Amount authorized or to be authorized</i>	<i>Amount outstanding as of the date of the most recent balance sheet contained in the prospectus</i>	<i>Amount outstanding as of a specific date within 30 days</i>	<i>Amount to be outstanding if all securities being issued are sold</i>
.....

INSTRUCTIONS:

1. Include all indebtedness for borrowed money as to which a written understanding exists that the indebtedness may extend beyond one year. Do not include other indebtedness classified as current liabilities unless secured.
2. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases or real property.
3. Individual items of indebtedness which are not in excess of 3% of total assets as shown in the balance sheet referred to in Column 3 may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".
4. Where practicable, state in general terms the respective priorities of the indebtedness shown in the Table.
5. Give particulars of the amount, general description of and security for any substantial indebtedness proposed to be created or assumed by the issuer or its subsidiaries, other than indebtedness offered by the prospectus.
6. Set out in a note the amount of contributed surplus and retained earnings as of the date of the most recent balance sheet contained in the prospectus.

7. Set out in a note the number of shares subject to rights, options and warrants.
8. No information need be given under Column 2 with respect to the common and preference shares of subsidiaries.
9. For the purposes of Column 3, in computing the amount of the minority interest in the subsidiaries whose financial statements are contained in the prospectus on an individual basis, and not included in the consolidated financial statements, such computation may be based on the financial statements of each such subsidiary contained in the prospectus.
10. In computing the minority interest in the subsidiaries for the purposes of Column 4, the amount set out in Column 3 may be used provided that appropriate adjustment is made to such amount to reflect any change in the percentage of ownership in the capital and surplus of any subsidiary by the minority interest.
11. The thirty-day period referred to in Column 4 is to be calculated within thirty days of the date of the preliminary prospectus or *pro forma* prospectus. Where more than thirty days have elapsed from the date of the preliminary or *pro forma* prospectus, the information shall, if feasible, be updated to a date within thirty days of the prospectus.
12. The information to be set out in Column 5 may be based upon the information contained in Column 4, adjusted to take into account any amounts set out in Column 4 to be retired out of the proceeds of the issue.

ITEM 8 – Name and Incorporation of Issuer:

State the full corporate name of the issuer and the address of its head office and principal office. State the laws under which the issuer was incorporated and whether incorporated by articles of association or otherwise and the date the corporation came into existence. If material state whether these have been amended.

INSTRUCTIONS:

1. Particulars of the documents need be set out only if material to the securities offered by the prospectus. See Item 19.
2. If the issuer is not a company, give material details of its form of organization and structure.

ITEM 9 – Description of Business and Property of Issuer:

- (a) Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business within the five preceding years.
- (b) In the case of a company other than an oil and gas company, furnish the following information as to each of the properties, mines, and plants presently owned, leased, held under option or operated, or presently intended to be owned, leased, held under option or operated by the issuer or its subsidiaries:
 - (1) The location of, size of and means of access to the property;
 - (2) A brief description of the title, claim or lease under which the issuer or subsidiary has or will have the right to hold or operate the property, indicating any conditions which the issuer or subsidiary must meet in order to obtain or retain the property;

- (3) (i) the names and address of all vendors of property purchased within the three years immediately preceding the date of the preliminary prospectus or the date of the pro forma prospectus and the property acquired from each and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so indicate; and
 - (ii) the names and addresses in full of every person who or company that has received within the three years immediately preceding the date of the preliminary prospectus, or pro forma prospectus, or is to receive from any vendor a greater than 5 per cent interest in the shares or other consideration received or to be received by the vendor;
 - (4) A brief history of previous prospecting, exploration, development and operations, including the names of previous operators, in so far as known;
 - (5) (i) a brief description of the character, extent and condition of any underground exploration and development and any underground plant and equipment, and, if none, so state; and
 - (ii) a brief description of the character, extent and condition of any surface exploration and development and any surface plant and equipment, and, if none, so state;
 - (6) A brief description of the mineral deposits on the property and their dimensions, including the identity of their principal metallic or other constituents, in so far as known. If the work done has established the existence of reserves of proven, probable or possible ore, state:
 - (i) the estimated tonnage and grade of each such class of ore reserves; and
 - (ii) the name of the person making the estimates and the nature of his relationship to the issuer;
 - (7) Describe the work already done by the issuer under its present management on the property and the issuer's or subsidiary's proposed programme of exploration or development of the property. If the property is without a known body of commercial ore and the proposed programme is an exploratory search for ore, a statement to that effect shall be made.
- (c) In the case of an oil or gas company furnish the following information as to the important oil and gas properties, plants, facilities and installations and other important properties presently owned, leased or held under option, or presently intended to be owned, leased or held under option by the issuer or its subsidiaries:
 - (1) The location, by fields, if possible, of all producing wells and all non-unitized wells capable of producing in which the issuer or its subsidiaries have an interest, indicating the total number of wells in each such field or other area, the interest of the issuer and its subsidiaries therein expressed in terms of net wells, distinguishing separately oil wells and gas wells;
 - (2) With respect to interests in properties on which no producing wells have been drilled, the gross acreage in which the issuer or its subsidiaries have an interest and the interest of the issuer and its subsidiaries therein expressed in terms of net leaseable acreage, and the location of such acreage by geographical area;

- (3) If exploration or development work is contemplated to be carried out so state and give the general nature and the proposed extent thereof;
- (4) To the extent that such properties are not unitized and are capable of but are not producing, indicate the proximity of such properties to pipe lines or other means of transportation;
- (5) The quantity and type of the estimated proved and developed reserves, proved undeveloped reserves, and probable additional reserves of crude oil, natural gas and natural gas liquids of the issuer and its subsidiaries together with particulars as to the accessibility of those reserves to gathering systems;
- (6) The net crude oil, natural gas liquids and natural gas production of the issuer and its subsidiaries, including the interest of the issuer and its subsidiaries in the crude oil, natural gas liquids and natural gas production of any other person or company, for each of the last five completed financial years preceding the date of the preliminary prospectus or pro forma prospectus, and for the current year as at a date not more than four months prior to the date of the preliminary prospectus or pro forma prospectus;
- (7) The number of wells the issuer or its subsidiaries have drilled or have participated in the drilling of each of the last five completed financial years preceding the date of the preliminary prospectus or pro forma prospectus, and for the current year as at a date not more than four months prior to the date of the preliminary prospectus or pro forma prospectus, the number of such wells completed as producing wells and as dry holes, and the amount expended by the issuer and its subsidiaries during the five completed financial years and the portion of the current year on drilling and exploration activities;
- (8) (i) If any properties of the issuer or its subsidiaries were acquired within the three years immediately preceding the date of the preliminary prospectus or pro forma prospectus or are intended to be acquired by the issuer or subsidiary from and insider or promoter of the issuer or an associate or affiliate of any insider or promotor, state the name and address of each such transferor, the relationship of each such transferor to the issuer or its subsidiaries and the consideration paid or intended to be paid to each such transferor; and
 - (ii) The names and addresses of every person or company who has received or is to receive greater than 5 per cent interest in the consideration received or to be received by any transferor referred to in clause (i).

INSTRUCTIONS:

1. The description called for by paragraph (a) of this item shall not relate to the powers and objects specified in the incorporating instruments, but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so

far as is necessary to understand the character and development of the business conducted by the combined enterprise.

2. In describing developments, information shall be given as to matters such as the following: the nature and results of any bankruptcy, receivership or similar proceedings with respect to the issuer or any of its subsidiaries; the nature and results of any other material reorganization of the issuer or any of its subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and material changes in the types of products produced or services rendered by the issuer and its subsidiaries; and any material changes in the mode of conducting the business of the issuer or its subsidiaries.
3. The information called for by paragraph (b) of this item shall only be given with respect to such of the properties of the issuer and its subsidiaries upon which, in whole or in part, the proceeds of the issue are to be expended or which are major producing properties. Information with respect to the other properties of the issuer and its subsidiaries shall be given in summary form.
4. The information required by clause (6) of paragraph (b) and clause (5) of paragraph (c) of this item may be given in reliance upon the report relating to such property required to be filed with the Commission pursuant to section 78 of *The Securities Regulations* if a statement to such effect is made in the prospectus.
5. In giving the information required by clauses (1) and (2) of paragraph (c) of this item include such ownership interests as fee interests, leasehold interests, royalty interests, interests in reservation and all other types of ownership interests and variations thereof.
6. In giving the information required by clause (7) of paragraph (c) of this item, do not include the amounts expended for payments made for and under leases or other similar interests, but state separately for the years and period referred to in clause (7) the amounts paid or payable for and under the leases or other similar interests.

ITEM 10 – Risk Factors:

- (a) Where appropriate to a clear understanding by investors of the risk factors and speculative nature of the enterprise or the securities being offered, an introductory statement shall be made on the first page or in the summary of the prospectus, summarizing the factors which make the purchase a risk or speculation. Include such matters as:
 - (i) the pro forma dilution of the investment based on net tangible assets;
 - (ii) a comparison, in percentage of the securities being offered for cash and those issued or to be issued to promoters, directors, officers, substantial security holders as defined in section 119 of the Act and underwriters for cash, property and services;
 - (iii) whether there is little probability of profit and little or no probability of resale of shares purchased;
 - (iv) the underwriter is not obligated to buy back shares except to the extent he may have oversold the offering and the buy-back price may be significantly lower than the original selling price.

The information may be given in the body of the prospectus if an appropriate reference is made on the first page or in the summary of the prospectus to the risks and the speculative or promotional nature of the enterprise and a cross

reference is made to the place in the prospectus where the information is contained.

- (b) Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risk associated with the investment.

ITEM 11 – Incorporation Within One Year Preliminary Expenses

Where a company has not been incorporated for more than one year prior to the date to which the most recent balance sheet contained in the prospectus is drawn up, state the amount or estimated amount of preliminary expenses, showing administrative and development expenses separately, including the amount already expended and the estimated future expenditures in each case.

ITEM 12 – Acquisitions

Briefly describe all material acquisitions and dispositions whether of shares or assets by the issuer and its subsidiaries during the past two years and to the extent reasonably practicable the impact of these acquisitions or dispositions on the operating results and financial position of the issuer.

ITEM 13 – Variations in Operating Results

Explain to the extent reasonably practicable any substantial variations, both favourable and adverse, in the operating results of the issuer over the last three years, but the Director may permit or require an explanation of such substantial variations over a longer period not to exceed five years.

INSTRUCTIONS:

The explanation should be in narrative form. However, where ratios are used to illustrate variations, a table may be used to supplement the narrative.

ITEM 14 – Asset and Earnings Coverage

Disclose asset and earnings coverage in an appropriate and reasonable form where required by section 85 of *The Securities Regulations*.

ITEM 15 – Promoters

If any person or company is or has been a promoter of the issuer or any of its subsidiaries within the five years immediately preceding the date of the preliminary prospectus or pro forma prospectus, furnish the following information:

- (a) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the issuer or from any of its

subsidiaries and the nature and amount of any assets, services or other consideration therefor received or to be received by the issuer or subsidiary;

- (b) As to any assets acquired within the past two years or to be acquired by the issuer or by any of its subsidiaries from a promoter, state the amount at which acquired or to be acquired and the principle followed or to be followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer, any subsidiary, or any promoter. State the date that the assets were acquired by the promoter and the cost thereof to the promoter.

ITEM 16 – Legal Proceedings

Briefly describe any legal proceedings material to the issuer to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

INSTRUCTION:

Include the name of the court or agency, the date instituted, the principal parties thereto, the nature of the claim, the amount claimed, if any, whether the proceedings are being contested, and the present status of the proceedings.

ITEM 17 – Issuance of Shares

- (a) If shares are being offered, state the description or the designation of the class of shares offered and furnish all material attributes and characteristics including, without limiting the generality of the foregoing, the following information:
 - (i) dividend rights;
 - (ii) voting rights;
 - (iii) liquidation or distribution rights;
 - (iv) pre-emptive rights;
 - (v) conversion rights;
 - (vi) redemption, purchase for cancellation or surrender provisions;
 - (vii) sinking or purchase fund provisions;
 - (viii) liability to further calls or to assessment by the issuer; and
 - (ix) provisions as to modifications, amendment or variation of any such rights or provisions;
- (b) If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or the provisions of the governing Act relating thereto, so state and explain briefly.

INSTRUCTIONS:

1. This item requires only a brief summary of the provisions that are material from an investment standpoint. Do not set out verbatim the provisions attaching to the shares; only a succinct resume is required.

2. If the rights attaching to the shares being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities (other than obligations covered in Item 18) ranks ahead of or equally with the shares being offered, include information regarding such other securities that will enable investors to understand the rights attaching to the shares being offered. If any shares being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the shares being offered.
3. In addition to the summary referred to in instruction 1, the issuer may set out verbatim in a schedule to the prospectus the provisions attaching to the shares being offered.

ITEM 18 – Issuance of Obligations

If obligations are being offered, give a brief summary of the material attributes and characteristics of the indebtedness and the security therefor including, without limiting the generality of the foregoing:

- (a) Provisions with respect to interest rate, maturity, redemption or other retirement, sinking fund and conversion rights.
- (b) The nature and priority of any security for the obligations, briefly identifying the principal properties subject to lien or charge.
- (c) Provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants (including restrictions against payment of dividends, restrictions against giving security on the assets of the issuer or its subsidiaries and the like) and provisions as to the release or substitution of assets securing the obligations, the modification of the terms of the security and similar provisions.
- (d) The name of the trustee under any indenture relating to the obligations and the nature of any material relationship between the trustee and the issuer or any of its affiliates.
- (e) Indicate any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

INSTRUCTION:

Instructions 1, 2 and 3 to Item 17 apply to this item with due alteration for points of detail.

ITEM 19 – Issuance of Other Securities

If securities other than shares or obligations are being offered, outline briefly the rights evidenced thereby. If subscription warrants or rights are being offered or issued, state the description and amount of securities covered thereby, the period during which, and the price at which, the warrants or rights are exercisable, and the principal terms and conditions by which they may be exercised.

INSTRUCTION:

The instructions to Item 17 apply to this item with due alteration for points of detail.

ITEM 20 – Dividend Record

State the amount of dividends or other distributions, if any, paid by the issuer during its last five completed financial years preceding the date of the preliminary prospectus or pro forma prospectus.

INSTRUCTION:

Dividends should be set out on a per share basis, shown separately for each class of shares in respect of each of the financial years. Appropriate adjustments shall be made to reflect changes in capitalization during the period.

ITEM 21 – Directors and Officers

List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, of all directors and officers of the issuer and indicate all positions and offices with the issuer held by each person named, and the principal occupations within the five preceding years, of each director and officer.

INSTRUCTIONS:

1. Where the municipality of residence or postal address is listed, the Director may request that the home address in full be furnished to him.
2. Where the principal occupation of a director or officer is that of an officer of a company other than the issuer, state the principal business in which such company is engaged.
3. Where a director or officer has held more than one position in the issuer, or a parent or subsidiary thereof, state only the first and last position held.

ITEM 22 – Executive Compensation

Complete and attach to or include in this form a Statement of Executive Compensation in Form 38.

ITEM 23 – Indebtedness of Directors and Senior Officers

In regard to:

- (i) each director and each senior officer of the company;
- (ii) each proposed nominee for election as a director of the company; and
- (iii) each associate or affiliate of any such director, senior officer or proposed nominee;

who is or has been indebted to the company or its subsidiaries at any time since the beginning of the last completed financial year of the company, state with respect to each such company or subsidiary the largest aggregate

amount of indebtedness outstanding at any time during the last completed financial year, the nature of the indebtedness and the transaction in which it was incurred, the amount thereof presently outstanding, and the rate of interest paid or charged thereon, but no disclosure need be made of routine indebtedness.

INSTRUCTIONS:

1. "routine indebtedness" means indebtedness described in any of the following clauses:
 - (a) if an issuer makes loans to employees generally whether or not in the ordinary course of business then such loans shall be considered to be routine indebtedness if made on terms, including those as to interest or collateral, no more favourable to the borrower than the terms on which loans are made by the issuer to employees generally, but the amount at any time remaining unpaid under such loans to any one director, senior officer or proposed nominee together with his associates or affiliates that are treated as routine indebtedness under this clause (a) shall not exceed \$25,000;
 - (b) whether or not the issuer makes loans in the ordinary course of business, a loan to a director or senior officer shall be considered to be routine indebtedness if:
 - (i) the borrower is a full-time employee of the issuer;
 - (ii) the loan is fully secured against the residence of the borrower; and
 - (iii) the amount of the loan does not exceed the annual salary of the borrower;
 - (c) where the issuer makes loans in the ordinary course of business, a loan shall be considered to be routine indebtedness if made to a person or company other than a full-time employee of the issuer, and if the loan:
 - (i) is made on substantially the same terms, including those as to interest rate and collateral, as were available when the loan was made to other customers of the issuer with comparable credit ratings; and
 - (ii) involves no more than usual risks of collectibility; and
 - (d) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons shall be considered to be routine indebtedness if the repayment arrangements are in accord with usual commercial practice.
2. State the name and home address if full or, alternatively, solely the municipality of residence or postal address of each person or company whose indebtedness is described.

ITEM 24 – Options to Purchase Securities

Furnish (in tabular form, if possible) the information referred to in Instruction 1, as at a specified date not more than thirty days before the date of the preliminary prospectus or pro forma prospectus, as to options to purchase securities of the issuer or any of its subsidiaries that are held or proposed to be held:

- (i) by all executive officers as a group and all directors who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;

- (ii) by all executive officers of all subsidiaries of the issuer as a group and all directors of such subsidiaries who are not also executive officers as a group, without naming them, excluding individuals referred to in clause (i);
- (iii) by all other employees of the issuer as a group, without naming them;
- (iv) by all other employees of subsidiaries of the issuer as a group, without naming them; and
- (v) by any other person or company, naming each such person or company.

INSTRUCTIONS:

1. Describe the options, stating the material provisions of each class or type of option including:
 - (i) the designation and number of the securities under option;
 - (ii) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of such options;
 - (iii) if reasonably ascertainable, the market value of the securities under option on the date of grant; and
 - (iv) if reasonably ascertainable, the market value of the securities under option on the specified date.
2. For the purposes of this Item:
 - (i) “executive officer” means the chairman and any vice-chairman of the board of directors of an issuer who performs the functions of such office on a full-time basis, the president, any vice-president in charge of a principal business unit such as sales, finance or production, and any officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer, whether or not such officer is also a director of the issuer or the subsidiary;
 - (ii) “options” includes all options, share purchase warrants or rights other than those shares issued on a pro rata basis, to all security holders of the same class resident in Canada and an extension of an option shall be deemed to be a granting of an option.
3. Options that are proposed to be held are those where there is an approval or understanding or commitment of the issuer or a subsidiary in respect of the granting of such options.
4. In the disclosure made under this Item 24, do not include options granted or proposed to be granted that are otherwise disclosed in Item 1 or 2, including option granted or to be granted to the underwriter in respect of the distribution under the prospectus.

ITEM 25 – Escrowed Shares

State as of a specified date within thirty days prior to the date of the preliminary prospectus or pro forma prospectus, in substantially the tabular form indicated, the number of securities of each class of voting securities of the issuer to the knowledge of the issuer held in escrow, disclosing the name of the depositary, if any, the date of and the conditions governing the release of the securities from escrow:

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Designation of class</i>	<i>Number of securities held in escrow</i>	<i>Percentage of class</i>
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.....
.....
.....

ITEM 26 – Principal Holders of Securities

Furnish the following information as of a specified date within thirty days prior to the date of the preliminary prospectus or pro forma prospectus, in substantially the tabular form indicated:

- (a) The number of securities of each class of voting securities of the issuer owned of record or beneficially, directly or indirectly, by each person who or company that owns of record, or is known by the issuer to own beneficially, directly or indirectly, more than 10 per cent of any class of such securities. Show in Column 3 whether the securities are owned both of record and beneficially, of record only, or beneficially only, and show in Columns 4 and 5 the respective amounts and percentages known by the issuer to be owned in each such manner.

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>	<i>Column 5</i>
<i>Name and Address</i>	<i>Designation of class</i>	<i>Type of ownership</i>	<i>Number of securities</i>	<i>Percentage of class</i>
.....
.....
.....
.....

- (b) The percentage of securities of each class of voting securities of the issuer or any of its parents or its subsidiaries beneficially owned, directly or indirectly, by all directors and senior officers of the issuer, as a group, without naming them.

TABLE

<i>Column 1</i>	<i>Column 2</i>
<i>Designation of Class</i>	<i>Percentage of Class</i>
.....
.....

.....

.....

INSTRUCTIONS:

1. Where a company is shown by the issuer as owning directly or indirectly more than 10% of any class of such securities, the Director may require the disclosure of such additional information as it considers necessary to identify any individual who, through his direct or indirect ownership of voting securities in the company, owns directly or indirectly more than 10% of any class of such securities. The name of such an individual should be disclosed in a footnote to the table described in paragraph (a).
2. For purposes of paragraph (a), shares owned beneficially, directly or indirectly, and of record shall be aggregated in determining whether any person or company owns more than 10% of the securities of any class.
3. If voting securities are being offered in connection with, or pursuant to, a plan of acquisition, amalgamation or reorganization, indicate, as far as practicable, the respective holdings of voting securities that will exist after giving effect to the plan.
4. If any of the securities being offered are to be offered for the account of a security holder, name such security holder and state the number or amount of the securities owned by him, the number or amount to be offered for his account, and the number or amount to be owned by him after such offering. State the date the security holder acquired the shares and the cost to him in the aggregate and on a per security basis.
5. If, to the knowledge of the issuer or the underwriter of the securities being offered, more than 10% of any class of voting securities of the issuer are held or are to be held subject to any voting trust or other similar agreement, other than an escrow arrangement referred to in Item 25, state the designation of such securities, the number or amount held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
6. If, to the knowledge of the issuer, the parent or the underwriter of the securities being offered, any person or company named in answer to paragraph (a) is an associate or affiliate of any other person or company named therein, disclose in so far as known, the material facts of such relationship, including any basis for influence over the issuer enjoyed by the person or company other than the holding of the voting securities of the issuer.

ITEM 27 – Intercorporate Relationships

- (a) Furnish a list of each subsidiary, other than inactive subsidiaries, of the issuer. As to each such subsidiary indicate the jurisdiction under the laws of which it was organized, and the percentage of voting securities owned by its parent.
- (b) Clearly illustrate by way of a diagram or otherwise the intercorporate relationships of the issuer, its parent and those subsidiaries listed pursuant to paragraph (a).
- (c) Where one of the primary businesses of the issuer is investing, reinvesting, owning, holding or trading in securities, give in substantially the tabular form indicated the following information as at a date within thirty days of the date of the preliminary prospectus or pro forma prospectus, with respect to each company 5 per cent or more

of whose securities of any class are owned directly or indirectly by the issuer or its affiliates.

TABLE

<i>Name and address of company</i>	<i>Nature of its principal business</i>	<i>Percentage of securities of any class beneficially owned, directly or indirectly</i>	<i>Percentage of book value of issuer's assets invested therein</i>
.....
.....
.....

INSTRUCTIONS:

1. If the securities being issued are to be issued in connection with, or pursuant to, a plan of acquisition, reorganization, readjustment, or succession, indicate insofar as practicable the status to exist upon consummation of the plan.
2. The name of any particular subsidiary may be omitted if:
 - (a) the assets of the subsidiary, or the investment in and advances to the subsidiary by its parent and the parent's other subsidiaries if any, do not exceed 10 per cent of the assets of the parent and its subsidiaries on a consolidated basis;
 - (b) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the sales and operating revenues of its parent and the parent's subsidiaries on a consolidated basis; and
 - (c) the unnamed subsidiaries considered in the aggregate as a single subsidiary would satisfy the conditions in (a) and (b) if the reference therein to 10 per cent were replaced by 20 per cent.

ITEM 28 – Prior Sales

- (a) State the prices at which securities of the class offered by the prospectus have been sold within the past twelve months prior to the date of the preliminary prospectus or pro forma prospectus, or are to be sold, by the issuer or selling security-holder if such prices differ from those at which the securities are offered by the prospectus. State the number of securities sold or to be sold at each price.
- (b) Where the class of common shares or series of non-common shares offered are listed on a Canadian stock exchange or solely on a foreign stock exchange, give price ranges and volume traded on such stock exchange on a monthly basis for each month or, if applicable, part month of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters for each of the past twelve months provided that the Director may permit the omission of the information regarding trading volume.

INSTRUCTIONS:

1. In the case of sales by a selling security holder the information required by paragraph (a) may be given in the form of price ranges for each calendar month.
2. Where sales are made to insiders or their associates, or to employees under a stock option, or where stock options or warrants were granted to any person or company, indicate to whom and at what price such sales were made or to whom such stock options or warrants were granted.

ITEM 29 – Interest of Management and Others in Material Transactions

Describe briefly, and where practicable state, the approximate amount of any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years prior to the date of the preliminary prospectus or pro forma prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer of any of its subsidiaries:

- (i) any director or senior officer of the issuer;
- (ii) any shareholder named in answer to paragraph (a) of Item 26; and
- (iii) any associate or affiliate of any of the foregoing persons or companies.

INSTRUCTIONS:

1. Give a brief description of the material transaction. Include the name and address of each person company whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described.
2. As to any transaction involving the purchase or sale of assets by or to the issuer or any subsidiary, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within two years prior to the transaction.
3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.
4. Information shall be included as to any material underwriting discounts, commissions or mark-ups upon the sale of securities by the issuer where any of the specified persons or companies was or is to be an underwriter or is an associate, affiliate or partner of a person, company or partnership that was or is to be an underwriter.
5. No information need be given in answer to this item as to any transaction or any interest therein, where:
 - (i) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
 - (ii) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;
 - (iii) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; or
 - (iv) the transaction does not, directly or indirectly, involve remuneration for services; and

- (A) the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction,
 - (B) the transaction is in the ordinary course of business of the issuer or its subsidiaries, and
 - (C) the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the issuer and its subsidiaries for the last completed financial year.
6. Information shall be furnished in answer to this item with respect to transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company furnishing the services to the issuer or its subsidiaries.
7. This item does not require the disclosure of any interest in any transaction unless such interest and transaction are material.

ITEM 29a – Relationship between Issuer and Underwriter:

Where the issuer is a related issuer or connected issuer of an underwriter, describe fully:

- (i) the nature of the existing relationship or connection between the issuer and the underwriter;
- (ii) the involvement of the underwriter and of any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution; and
- (iii) the effect of the issue on the underwriter and each related issuer of the underwriter;

and, on the first page of the prospectus, in bold face print, give a summary of the nature of the relationship or connection between the issuer and the underwriter and a cross-reference to the section in the prospectus that fully describes the relationship or connection.

INSTRUCTIONS:

1. “Related issuer”, “connected issuer” and “influence” are defined in section 65 of *The Securities Regulations*.
2. In describing the existing relationship or connection between the issuer and the underwriter, describe the basis on which the issuer is a related issuer or connected issuer of the underwriter and:
 - (i) include to the extent necessary to describe the relationship or connection:
 - (A) the name of each related issuer of the underwriter;

- (B) the details of any beneficial ownership of, or exercise of control or direction over any securities of any relevant party (including the issuer, the underwriter and any related issuer of the underwriter) by any other relevant party;
 - (C) the details of the ability of any relevant party to participate in or to affect materially the operations of any other relevant party by virtue of representation on a board of directors, a management contract, an escrow or pooling or voting trust agreement, or any other means.
 - (D) the details of any business or professional relationship between relevant parties; and
- (ii) where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter and that indebtedness is the basis on which the issuer is a connected issuer of the underwriter, state the details of the indebtedness, including:
- (A) the amount of the indebtedness;
 - (B) the extent to which the issuer is in compliance with the terms of any agreement governing the indebtedness;
 - (C) the extent to which the related issuer has waived any breach of any such agreement since its execution;
 - (D) the nature of the security for the indebtedness; and
 - (E) the extent to which the financial position of the issuer or the value of the security has changed since the indebtedness was incurred.
3. In describing the involvement of the underwriter and any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution, describe whether the issue was required, suggested or consented to by the underwriter or any related issuer of the underwriter and, if so, on what basis. It is not necessary to describe the involvement of the underwriter in the decision to distribute securities where that involvement is limited to acting, independently of any related issuer of the underwriter, as a financial adviser to the issuer in the ordinary course of business, including presenting a proposal for a distribution and settling the terms of the securities on the same basis as that on which an independent underwriter would advise the issuer.
4. In describing the effect of the issue on the underwriter and each related issuer of the underwriter, state the extent to which the proceeds of the issue will be applied directly or indirectly for the benefit of the underwriter or any related issuer of the underwriter and, where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter, whether any of the indebtedness will be repaid from the proceeds of the issue and, if so, the amount of the repayment. Where the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state.
5. State any other material facts with respect to the relationship or connection between the underwriter, any related issuer of the underwriter and the issuer that are not required to be described by the foregoing.

ITEM 29b – Underwriter as Issuer:

Where a non-reporting issuing voting securities or participating securities is a registered dealer or an issuer all or substantially all of whose assets are securities of a registered dealer and the dealer is underwriting 25 per cent or more of the issue:

- (i) state that the dealer is an underwriter in bold face type on the first page of the prospectus;
- (ii) include in the prospectus summaries of two valuations of the issuer by two independent underwriters or chartered accountants; and
- (iii) give in the prospectus a reasonable time and place at which the valuation may be inspected during the distribution of the securities being offered.

INSTRUCTIONS:

1. “Participating security” is defined in clause 145(e) of *The Securities Regulations* and “valuation” means “formal valuation” as defined in clause 145(a) of those regulations.
2. Underwriters or chartered accountants are independent if they are not related issuers or connected issuers of the issuer. See item 32a. Participation in the distribution does not disqualify underwriters that are otherwise independent.

ITEM 30 – Auditors, Transfer Agents and Registrars

- (a) State the name and address of the auditor of the issuer.
- (b) Where shares are offered, state the names of the issuer’s transfer agents and registrars and the location (by municipalities) of the registers of transfers of each class of shares of the issuer. Where securities other than shares are offered, state the location (by municipalities) of each register on which transfers of such securities may be recorded.

ITEM 31 – Material Contracts

Give particulars of every material contract entered into within the two years prior to the date of the preliminary prospectus or pro forma prospectus by the issuer or any of its subsidiaries and state a reasonable time and place at which any such contract or a copy thereof may be inspected during distribution of the securities being offered.

INSTRUCTIONS:

1. The term “material contract” for this purpose means any contract that can reasonably be regarded as presently material to the proposed investor in the securities being offered.
2. Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to those material contracts about which particulars are not given elsewhere in the prospectus. This item does not require disclosure of contracts entered into in the ordinary course of business of the issuer or its subsidiaries as the case may be.
3. Particulars of contracts should include the dates of, parties to, consideration and general nature of the contracts, succinctly described.

4. Particulars of contracts need not be disclosed, or copies of such contracts made available for inspection, if the Commission determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.

ITEM 32 – Other Material Facts

Give particulars of any other material facts relating to the securities proposed to be offered and not disclosed pursuant to the foregoing items.

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

10 Nov 88

cS-42.2 Reg 1.