

## Appendix C

### *Amendments to*

**Form 51-102F1 Management’s Discussion and Analysis,  
Form 51-102F2 Annual Information Form,  
Form 51-102F3 Material Change Report,  
Form 51-102F4 Business Acquisition Report,  
Form 51-102F5 Information Circular, and  
Form 51-102F6 Statement of Executive Compensation**

1. *Form 51-102F1 Management’s Discussion and Analysis, Form 51-102F2 Annual Information Form, Form 51-102F3 Material Change Report, Form 51-102F4 Business Acquisition Report, Form 51-102F5 Information Circular, and Form 51-102F6 Statement of Executive Compensation are amended by this Instrument.*
2. *Form 51-102F1 Management’s Discussion and Analysis is amended by*
  - a. *repealing the heading “General Instructions and Interpretation” preceding paragraph 1(a) and substituting “General Provisions”,*
  - b. *in paragraph 1(g),*
    - i. *striking “You are encouraged to provide forward-looking information if you have a reasonable basis for making the statements.”,*
    - ii. *striking “or projection”,*
    - iii. *striking “a detailed forecast” and substituting “detailed estimates”,*
    - iv. *adding “You must have a reasonable basis for any forward-looking information.” before “All forward-looking information must contain a statement”,*
    - v. *adding the following after “risk disclosure and cautionary language.”:*

In addition, some securities legislation provides a statutory right of action for damages for misrepresentation in continuous disclosure documents. You may have protection against liability for forward-looking information. You are responsible for determining what additional disclosure, if any, you must provide to have that protection.

*vi. striking* “Forward-looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained.”

*c. adding the following after paragraph 1(g):*

(g.1) **FOFI**

You must disclose and discuss material differences between actual results for the annual or interim period to which your MD&A relates and future oriented financial information for that period that you previously released to the public (either in a previous MD&A or in some other manner). Future oriented financial information ("FOFI") is one type of forward-looking information. FOFI is information about prospective results of operations, financial position and/or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical balance sheet, income statement or cash flow statement. You should disclose and discuss material differences for material individual items included in the FOFI, including assumptions. For example, if the actual dollar amount of revenue approximates the forecasted amount but the sales mix or sales volume differs materially from what you expected, you should explain this. If you do not identify any material differences, you must disclose that you compared the actual results to previously released FOFI for the relevant period, and that you did not identify any material differences.

You must also discuss events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from FOFI previously released for a period that is not yet complete. As well, you must discuss the expected differences. For example, if you published FOFI for the current year assuming no change in the prime interest rate, but by the end of the second quarter the prime interest rate went up by 2%, in your second quarter MD&A you should discuss the interest rate increase and its expected effect on results compared to those indicated in the FOFI.

If during the period to which the MD&A relates you decided to withdraw previously released FOFI, you must disclose that decision and the reasons for it. However, you do not have to disclose and discuss differences between actual results and FOFI as discussed above, if you disclosed withdrawal of the FOFI in an MD&A filed before the end of the period covered by the FOFI.

Paragraph g.1 of these instructions does not apply to future net revenue (discounted cash flow information) provided in accordance with National Instrument 51-101 or to cash flow forecasts provided in

accordance with National Instrument 43-101. Issuers should refer to those instruments for their obligations relating to such information.

- d. striking “and” at the end of instruction (iii)(I) to section 1.5,**
- e. striking “.” and substituting “; and” at the end of instruction (iii)(J) to section 1.5,**
- f. adding the following after instruction (iii)(J) to section 1.5:**
  - (K) if you have an equity investee that is significant to your company, the nature of the investment and significance to your company.*
- g. repealing paragraph 1.12(c),**
- h. after section 1.12,**
  - i. striking the heading “Instruction” and substituting “Instructions”,**
  - ii. numbering the paragraph under the heading “Instructions” as paragraph (i), and**
  - iii. adding the following after paragraph (i) under the heading “Instructions”:**
    - (ii) As part of your discussion of why an accounting estimate is reasonably likely to change, in addition to qualitative disclosure, you should provide quantitative disclosure when quantitative information is reasonably available and will provide material information for investors. For example, quantitative information may include the changes in overall financial performance and financial statement line items if you assume that the accounting estimate was to change by using either*
      - (A) reasonably likely changes in the material assumptions; or*
      - (B) the upper and lower ends of the range of estimates from which the recorded estimate was selected.*
- i. in paragraph 1.15(b),**
  - i. adding “, if applicable” after “National Instrument 51-102”,**
  - ii. striking “and” at the end of subparagraph (b)(i),**

*iii. striking “.” and substituting “; and” at the end of subparagraph (b)(ii), and*

*iv. adding the following after subparagraph (b)(ii):*

(iii) Section 5.7 – Additional Disclosure for Reporting Issuers with Significant Equity Investees.

*j. in the instructions after section 2.2,*

*i. striking “not an annual” and substituting “an interim” in paragraph (i),*

*ii. adding “Base the disclosure, except the disclosure for section 1.3, on your interim financial statements. Since you do not have to update the disclosure required in section 1.3 in your interim MD&A, your first MD&A will provide disclosure under section 1.3 based on your annual financial statements.” after “in your first MD&A” in paragraph (i), and*

*iii. adding the following after paragraph (v):*

*(vi) In your interim MD&A, update the summary of quarterly results in section 1.5 by providing summary information for the eight most recently completed quarters.*

*(vii) Your annual MD&A may not include all the information in Item 1 if you were a venture issuer as at the end of your last financial year. If you ceased to be a venture issuer during your interim period, you do not have to restate the MD&A you previously filed. Instead, provide the disclosure for the additional sections in Item 1 that you were exempt from as a venture issuer in the next interim MD&A you file. Base your disclosure for those sections on your interim financial statements.*

**3. Form 51-102F2 Annual Information Form is amended by,**

*a. repealing the heading “General Instructions and Interpretation” preceding paragraph 1(a) and substituting “General Provisions”,*

*b. adding “, including any documents incorporated by reference into the document or excerpt,” before “under your SEDAR profile” in paragraph 1(f),*

*c. striking the heading “Bankruptcy, etc” preceding subsection 5.1(2) and substituting “Bankruptcy and Similar Procedures”,*

- d. repealing paragraph 5.5(1)(c),*
- e. striking “paragraphs (1)(a) and (1)(b) above” in subsection 5.5(2) and substituting “subsection (1),”*
- f. adding the following after subsection 5.5(3):*

(4) **Material Changes** – To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* in respect of material changes that occurred after your company’s most recently completed financial year-end.
- g. adding “approved” after “has been received from one or more” in section 7.3,*
- h. after section 10.2,*
  - i. striking the heading “Instruction” and substituting “Instructions”,*
  - ii. numbering the paragraph under the heading “Instructions” as paragraph (i), and*
  - iii. adding the following after paragraph (i) under the heading “Instructions”:*
    - (ii) A management cease trade order is “a cease trade or similar order” for the purposes of subparagraph 10.2(1)(a)(i) and so must be disclosed, whether or not the director, executive officer or shareholder was named in the order.
    - (iii) A late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction” for the purposes of section 10.2.
- i. repealing the heading “Legal Proceedings” preceding section 12.1 and substituting “Legal Proceedings and Regulatory Actions”,*
- j. striking “Describe any legal proceedings to which your company is a party or of which any of its property is the subject and any such proceedings known to your company to be contemplated, including” in section 12.1 and substituting “Describe any legal proceedings your company is or was a party to, or that any of its property is or was the subject of, during your financial year. Describe any such legal proceedings your company knows are contemplated. Include”,*
- k. adding the following after section 12.1:*

## **12.2 Regulatory Actions**

Describe any

- (a) penalties or sanctions imposed against your company or by a regulatory authority during your financial year, and
- (b) settlement agreements your company entered into with a regulatory authority or a court relating to securities legislation during your financial year.

*l. adding* “Disclose how securityholders may contact the company to request copies of the company’s financial statements and MD&A.” *after* “www.sedar.com.” *in subsection 17.1(1).*

**4. Form 51-102F3 Material Change Report is amended by**

*a. repealing the heading “General Instructions and Interpretation” preceding paragraph 1(a) and substituting “General Provisions”, and*

*b. in Item 5,*

*i. numbering the paragraph under the heading for Item 5 as section 5.1,*

*ii. adding the heading “Full Description of Material Change” to section 5.1,*

*iii. adding the following after section 5.1:*

**5.2 Disclosure for Restructuring Transactions**

This item applies to a material change report filed in respect of the closing of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed. This item does not apply if, in respect of the transaction, your company sent an information circular to its securityholders or filed a prospectus or a securities exchange takeover bid circular.

Include the disclosure required for the resulting entity in a restructuring transaction by section 14.2 of Form 51-102F5. You may satisfy the requirement to include this disclosure by incorporating the information by reference to another document.

*iv. striking the heading “Instruction” and substituting “Instructions”,*

*v. numbering the paragraph under the heading “Instructions” as paragraph (i), and*

*vi. adding the following after paragraph (i) under the heading “Instructions”:*

(ii) If you incorporate information by reference to another document, clearly identify the referenced document or any excerpt from it. Unless you have already filed the referenced document or excerpt, you must file it with the material change report. You must also disclose that the document is on SEDAR at [www.sedar.com](http://www.sedar.com).

**5. Form 51-102F4 Business Acquisition Report is amended by**

*a. repealing the heading “General Instructions and Interpretation” preceding paragraph 1(a) and substituting “General Provisions”, and*

*b. in paragraph 1(d),*

*i. striking “, other than the financial statements or other information required by Item 3,”*

*ii. adding “you have already filed” after “Unless”,*

*iii. striking “has already been filed” and substituting “, including any documents incorporated by reference into the document or excerpt”, and*

*iv. adding “You must also disclose that the document is on SEDAR at [www.sedar.com](http://www.sedar.com).” after “file it with this Report.”.*

**6. Form 51-102F5 Information Circular is amended by**

*a. repealing the heading “General Instructions and Interpretation” preceding paragraph 1(a) and substituting “General Provisions”,*

*b. adding “including any documents incorporated by reference into the document or except,” after “document or excerpt,” in paragraph 1(c),*

*c. adding “(a “proposed director”)” after “nominated for election as a director” in section 7.1,*

*d. adding the following after section 7.2:*

7.3 Describe the penalties or sanctions imposed and the grounds on which they were imposed, or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a proposed director has been subject to

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority

or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

7.4 Despite section 7.3, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### *INSTRUCTIONS*

- (i) *The disclosure required by sections 7.2 and 7.3 also apply to any personal holding companies of the proposed director.*
- (ii) *A management cease trade order is “a cease trade or similar order” for the purposes of paragraph 7.2(a)(i) and so must be disclosed, whether or not the proposed director was named in the order.*
- (iii) *A late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction” for the purposes of section 7.3.*

**e. striking “Include” and substituting “If you are sending this information circular in connection with an annual general meeting or a meeting at which directors are to be elected, include” in Item 8,**

**f. repealing section 14.2 and substituting the following:**

14.2 If the action to be taken is in respect of a significant acquisition as determined under Part 8 of National Instrument 51-102 under which securities of the acquired business are being exchanged for the company’s securities, or in respect of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed, include disclosure for

- (a) the company, if the company has not filed all documents required under National Instrument 51-102,
- (b) the business being acquired, if the matter is a significant acquisition,
- (c) each entity, other than the company, whose securities are being changed, exchanged, issued or distributed, if



- (i) the matter is a restructuring transaction, and
- (ii) the company's current securityholders will have an interest in that entity after the restructuring transaction is completed, and
- (d) each entity that would result from the significant acquisition or restructuring transaction, if the company's securityholders will have an interest in that entity after the significant acquisition or restructuring transaction is completed.

The disclosure must be the disclosure (including financial statements) prescribed by the form of prospectus that the entity would be eligible to use for a distribution of securities in the jurisdiction.

***g. in section 14.5,***

- i. striking*** "Section 14.2 does not apply to an information circular that is prepared" ***and substituting*** "A company satisfies section 14.2 if it prepares an information circular",
- ii. adding*** "," ***after*** "connection with a Qualifying Transaction",
- iii. striking*** "(as such terms" ***and substituting*** " , or in connection with a Reverse Take-Over (as Qualifying Transaction, CPC and Reverse Take-Over",
- iv. striking*** "policy on Capital Pool Companies" ***and substituting*** "policies", ***and***
- v. adding*** "or Reverse Take-Over" ***after*** "in respect of that Qualifying Transaction",

***h. adding the following after section 14.5:***

***INSTRUCTION***

*For the purposes of section 14.2, a securityholder will not be considered to have an interest in an entity after an acquisition or restructuring transaction is completed if the securityholder will only hold a redeemable security that is immediately redeemed for cash.*

***7. Form 51-102F6 Statement of Executive Compensation is amended by***

- a. repealing the heading "General Instructions and Interpretation" preceding section 1.1 and substituting "General Provisions",***

- b. striking “primary” in paragraphs 1.4(e) and 1.4(f), wherever it appears, and*
- c. adding “or Québec Pension Plan” after “CPP” in paragraph 2.1 1.(a) relating to column (e).*

*8. This amendment comes into force ●, 2006.*