



**GENERAL RULING/ORDER 51-906
EXEMPTION FROM CERTAIN CONTINUOUS DISCLOSURE REQUIREMENTS UNDER
NATIONAL INSTRUMENT 51-102**

IN THE MATTER OF
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS*

RULING
(Section 13.1 of National Instrument 51-102)

WHEREAS the Saskatchewan Financial Services Commission (the "Commission") has assigned to the Director of the Securities Division (the "Director") the power to make exemption orders and rulings under provisions of Saskatchewan securities law including orders and rulings of general application;

WHEREAS staff of the Commission have applied to the Director for an order pursuant to section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") exempting certain issuers from certain continuous disclosure requirements in NI 51-102;

AND WHEREAS it has been represented to the Director that:

1. An issuer can be subject to the continuous disclosure requirements in NI 51-102 as a result of:
 - a. its reporting issuer status in Saskatchewan;
 - b. a decision of the Commission or Director; or
 - c. an undertaking given to the Commission or Director;
2. In certain cases the continuous disclosure requirements in NI 51-102 to which an issuer is subject are onerous and costly in relation to the limited benefit of such information to the public and to the security holders of the issuer, having regard to the nature of the issuer's business, the amount of money raised by the issuer from the public and whether or not the issuer's securities are trading publicly; and
3. The protection of the public and the integrity of Saskatchewan's capital markets can be maintained while the burden of regulation lessened by waiving financial reporting requirements in certain instances;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make the Order;

IT IS HEREBY ORDERED pursuant to section 13.1 of NI 51-102 that:

1. An Issuer that is a venture capital corporation within the meaning of *The Venture Capital Tax Credit Act* (Saskatchewan) or a Type B corporation within the meaning of *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (an "Exempt Issuer") is exempted from the requirement in subsection 4.3(1) of NI 51-102 to file with the Commission interim financial statements in each of its financial years, no matter how the issuer became subject to these obligations, and any applicable requirement to file Management's Discussion and Analysis with interim and annual financial statements ;
2. An Issuer whose securities are not listed or posted for trading on any stock exchange and do not trade in an organized over-the-counter market (a "Non-Listed Issuer") is exempted from the requirement in subsection 4.3(1) of NI 51-102 to file with the Commission interim financial statements for each of the first and third quarters in each of its financial years, no matter how the issuer became subject to these obligations, and any applicable requirement to file Management's Discussion and Analysis ("MD&A") with those interim financial statements;
3. A Non-Listed Issuer that has raised less than \$500,000 in total from all distributions is exempted from the requirement in subsection 4.1(2) of NI 51-102 to have its annual financial statements accompanied by a report of the auditor of the issuer, no matter how the issuer became subject to this obligation, provided that:
 - (a) a general review has been carried out by an independent accountant as set out in section 8100 of The Canadian Institute of Chartered Accountants' ("CICA") Handbook - General Review Standards, and
 - (b) the annual financial statement is accompanied by a review engagement report, as set out in section 8200 of the CICA Handbook – Public Accountant's Review of Financial Statements;

and further provided that:

4. An issuer can rely on this Order only if it has filed a written statement in Form 51-905F1:
 - a. As to what part of this Order the issuer intends to rely on;
 - b. That the issuer meets the criteria for use of this Order; and
 - c. That the issuer will advise the Commission in writing of any change to its circumstances that would result in the issuer no longer meeting the criteria for use of this Order;
5. An issuer can rely on this Order only if:
 - a. The issuer has disclosed in all of the issuer's prospectuses and offering memorandums the financial statements it is required to file under this Order; or
 - b. The security holders of the issuer have approved of the issuer relying on this Order and a written statement of this fact has been filed with the Commission in Form 51-905F1.

AND IT IS HEREBY FURTHER RULED pursuant to section 83 of the Act that an Exempt Issuer that:

- (a) is in default of NI 51-102 with respect to interim financial statements; and

(b) has filed an appropriate Form 51-905F1 with the Commission;

is for any and all purposes of the Act deemed not to be in default of the requirements of the Act;

AND IT IS HEREBY FURTHER RULED pursuant to section 83 of the Act that a Non-Listed Issuer that:

(a) is in default of a requirement of NI 51-102 with respect to an interim financial statement for a first or third quarter of a financial year; and

(b) has filed an appropriate Form 51-905F1 with the Commission;

is for any and all purposes of the Act deemed not to be in default of the requirements of the Act;

AND IT IS HEREBY FURTHER ORDERED pursuant to section 13.1 of NI 51-102 that a Non-Listed Issuer that has filed Form A under General Ruling/Order 51-902 *Exemption From Certain Financial Requirements* ("GRO 51-102") before the date of this Order claiming an exemption under GRO 51-902 from any applicable requirement to file interim financial statements for the first and third quarters of its financial year is exempted from the requirement in section 5.1 of NI 51-102 to file MD&A with respect to those interim financial statements;

AND IT IS HEREBY FURTHER ORDERED pursuant to section 13.1 of NI 51-102 that an issuer that has been exempted by an order or ruling of the Commission or Director from the requirement to file interim financial statements for specified quarters of its financial year is also exempted from any applicable requirement in section 5.1 of NI 51-102 to file MD&A with those financial statements.

DATED March 30, 2004.

"Barbara Shourounis"

Barbara Shourounis

Director

Form 51-906F1
Notice of Use of Exemptions in General Ruling/Order 51-902

- Complete this form if you are an issuer claiming exemptions in General Ruling/Order 51-906.
- Return it to the Saskatchewan Financial Services Commission to the attention of Deputy Director, Legal, Securities Division.
- Also send the required filing fee of \$100 by cheque payable to the Minister of Finance.

In this form:

“**GRO 51-906**” means General Ruling/Order 51-906 *Exemption From Certain Continuous Disclosure Requirements Under National Instrument 51-102*;

“**non-listed issuer**” means an issuer whose securities are not listed or posted for trading on any stock exchange, and do not trade in an organized over-the-counter market.

Issuer's name: _____

Mark an X opposite each requirement you are claiming exemption from:

- Filing interim financial statements. (If you are a Venture Capital Corporation or a Type B Labour Sponsored Venture Capital Corporation)
- Filing 1st and 3rd quarter interim financial statements. (If you are a Non-listed Issuer.)
- The requirement for an audit report to accompany your annual financial statements. (If you are a Non-Listed Issuer that has raised less than \$500,000 in total from the public.)

Certificate

We certify that we:

- claim the exemptions provided by GRO 51-906 as marked above;
- meet the criteria to use these exemptions;
- have obtained, if necessary, the approval of our security holders to change our reporting requirements to them; and
- undertake to advise the Commission of any change in our circumstances which would result in the requirements for use of GRO 51-906 no longer being met.

Date: _____

Signed: _____
Chief Executive Officer of Issuer