

**GENERAL RULING/ORDER 51-902**  
**EXEMPTION FROM CERTAIN FINANCIAL REQUIREMENTS**

IN THE MATTER OF  
*THE SECURITIES ACT, 1988, S.S. 1988, c. s-42.2*

AND

AND IN THE MATTER OF THE  
EXEMPTION FROM CERTAIN FINANCIAL REQUIREMENTS

RULING & ORDER  
(Sections 83 and 160)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from the staff of the Commission for an order pursuant to section 160 of *The Securities Act, 1988, S.S. 1988, c. S-42.2* (the "Act") exempting certain issuers from certain financial reporting requirements of the Act;

AND WHEREAS it has been represented to the Commission that:

1. An issuer can be subject to the financial reporting requirements of the Act as a result of:
  - a. its reporting issuer status in Saskatchewan and Part XIV of the Act;
  - b. a decision of the Commission; or
  - c. an undertaking given to the Commission either directly or as part of an offering memorandum filed with and approved by the Commission;
2. In certain cases the financial reporting requirements to which an issuer is subject under the Act 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 Commission 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 160 of the Act 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 its obligations under the Act to file with the Commission and send to its security holders interim financial statements in each of its financial years, no matter how the issuer became subject to these obligations;
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 its obligations under the Act to file with the Commission and send to its security holders 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;
3. A Non-Listed Issuer who has raised less than \$500,000 in total from all distributions is exempted from its obligation under the Act 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:

4. An issuer can rely on this Order only if it has filed with the Commission a written statement:
  - 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;

Such statement must be given by completing Form A attached to this Order and returning it to the Commission to the attention of the Deputy Director, Exemptions;

5. An issuer can rely on this Order only so long as it files with the Commission a written statement that the issuer has sent to its security holders all continuous disclosure

information, including all financial statements and proxies and proxy materials it is required to send to its security holders under the Act as modified by this Order.

Such statement must be:

- a. Filed no less often than annually;
  - b. Signed by the agent who completed the requirements on behalf of the issuer or if the issuer completed the requirements on its own behalf, signed by the Chief Executive Officer of the issuer; and
  - c. Directed to the Deputy Director, Corporate Finance;
6. An issuer can rely on this Order only if:
- a. Financial reporting obligations equivalent to those set out in this Order have been disclosed in all prospectuses and offering memorandums of the issuer; 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.
- Such statement must be given by completing Form A attached to this Order and returning it to the Commission to the attention of the Deputy Director, Exemptions;
7. Where this Order operates to waive the requirement that the annual financial statement of an issuer be accompanied by a report of the auditor of the issuer, a general review rather than an audit must have 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 as amended and such financial statement must be accompanied by a review engagement report, as set out in section 8200 of the CICA Handbook - Reviews of Financial Statements as amended; and
8. An issuer can rely on this Order only so long as it continues to meet all the criteria for use of this Order;

AND IT IS HEREBY RULED pursuant to section 83 of the Act that an Exempt Issuer or a Non-Listed Issuer in default of a requirement of the Act if in the case of:

1. An Exempt Issuer, the default is with respect to an interim financial statement and an appropriate Form A has been filed with the Commission by the Issuer; or

2. A Non-Listed Issuer, the default is with respect to an interim financial statement for a first or third quarter of a financial year and an appropriate Form A has been filed with the Commission by the Issuer;

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 160 of the Act for greater certainty that:

1. Unless otherwise set out in this Order, the terms of this Order are not intended to create any additional obligations for issuers but simply to exempt certain issuers from obligations to which they are currently subject under the Act; and
2. The terms of this Order operate only to waive obligations of issuers under the Act, and cannot operate to waive other obligations of issuers under other legislation, the constating documents of the issuer, by contract or at law; and
3. Nothing in this Order is intended to preclude an application to the Commission for relief from other continuous disclosure requirements.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 28th day of November, 1991.

Amended at Regina, Saskatchewan this 13th day of May, 1993.

Amended at Regina, Saskatchewan, this 12th day of October, 1993.

Amended at Regina, Saskatchewan, this 15th day of May, 1996.

Amended at Regina, Saskatchewan, this 3rd day of December, 1996.

"Marcel de la Gorgendière"

Marcel de la Gorgendière, Q.C.  
Chairman

## Form GRO51-902-A

### 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 51-902. Return it to the Saskatchewan Securities Commission to the attention of Deputy Director, Legal, 800-1920 Broad Street, Regina, Saskatchewan, S4P 3V7. Also send the required filing fee of \$100 by cheque payable to the Minister of Finance.**

**In this form:**

*GRO 51-902* means General Ruling/Order 51-902

*Issuer* means a company, limited partnership, trust or other person issuing securities

*Non-listed issuer* means an issuer which is not listed or posted on a stock exchange or trading in an organized over-the-counter market.

**Issuer's name:** \_\_\_\_\_

**Address of Issuer's main office in Canada:**

**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 which has raised less than \$500,000 in total from the public.)

**Certificate**

We certify that we:

- claim the exemptions provided by GRO 51-902 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 51-902 no longer being met.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Chief Executive Officer of Issuer