



January 20, 2004

Dear Sir or Madam:

Re: Meeting to Review New Rules

You are invited to a meeting on Wednesday, February 18 at 1:30 in Tuscany Room at the Delta Hotel at 1919 Saskatchewan Drive, Regina, Saskatchewan. The purpose of the meeting is to review a number of new instruments that will come into force on March 30, 2004 and will affect reporting issuers.

NI 51-102 Continuous Disclosure Obligations

The most important is National Instrument 51-102 *Continuous Disclosure Obligations*. NI 51-102 contains a national, uniform, and comprehensive set of continuous disclosure requirements that apply to all reporting issuers in Canada. It will replace the current local rules that apply in the provinces and territories. NI 51-102 will also impose some new requirements, including a shorter filing period for financial statements.

New MD&A Requirements Under NI 51-102

NI 51-102 will require all reporting issuers to prepare and file interim Management Discussion and Analysis with comparison to the annual MD&A for their last financial year in new Form 51-102F1.

Issuers that are currently filing MD&A under Saskatchewan Local Instrument 51-501 *Annual Information Forms and Management's Discussion and Analysis*, should consider preparing annual MD&A for their financial year ending December 31, 2003 in new Form 51-102F1. This will facilitate the comparison in their first interim MD&A.

Issuers that haven't been required to file MD&A until now, should consider preparing annual MD&A for their December 31, 2003 financial year end following Form 51-102F1. This will facilitate comparison in their first interim MD&A.

Other New Instruments

We will also outline the following new instruments:

National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*. NI 52-107 contains a national, uniform and comprehensive set of rules that apply to financial statements filed by all issuers and registrants. NI 52-107 will also replace the local rules that are currently in place. Under NI 52-107 financial statements must be:

- prepared in accordance with Canadian generally accepted accounting principles (GAAP);
- audited in accordance with Canadian generally accepted auditing standards (GAAS) and be accompanied by an auditor's report that, among other things, does not contain a reservation and identifies the auditing standards and accounting principles used.

National Instrument 52-108 *Auditor Oversight* will require that an auditor's report filed with a reporting issuer's financial statements must be prepared by a public accounting firm that:

- participates in the oversight program of the Canadian Public Accountability Board (CPAB); and
- complies with restrictions or sanctions imposed by the CPAB.

Multilateral Instrument 52-109 *Certification of Disclosure in Companies' Annual and Interim Filings* will require an issuer's Chief Executive Officer and Chief Financial Officer to certify annual and interim financial statements, MD&A, and annual information forms. They will have to certify, among other things, that:

- the document does not contain any misrepresentations or omit material facts;
- the financial statements fairly present the issuer's financial conditions;
- they have designed disclosure controls and procedures, and internal control over financial reporting;
- they have evaluated the effectiveness of the disclosure controls and procedures, and caused the issuer to disclose their conclusions regarding their evaluation.

Multilateral Instrument 52-110 *Audit Committees* will require every reporting issuer to have an audit committee to which the external auditor must directly report. NI 52-110 prescribes the composition, responsibilities and reporting obligations of audit committees.

Repeal of GRO 13-801 Exemption from Filing on SEDAR

Saskatchewan Notice 52-701 *Exemption from Filing on SEDAR* gives notice of the repeal of General Ruling/Order 13-801 SEDAR effective June 30, 2004. GRO 13-801 exempted certain Saskatchewan-based companies from the requirement to file on SEDAR. GRO 13-801 will be replaced with a system of providing discretionary relief from the SEDAR filing requirement to companies if:

- they have their head office in Saskatchewan,
- their securities are not listed on an exchange or trade in an over-the-counter market, and
- they are not required to file on SEDAR in any other province.

and if they can demonstrate that:

- the cost of filing on SEDAR and SEDI is oppressive for the company; or
- there would be no benefit to the secondary markets in having the issuer's continuous disclosure information on SEDAR.

We have enclosed some documents that give more details of these new instruments. The instruments and their related documents are posted on our Web site at:

<http://www.sfsc.gov.sk.ca/ssc/Notices/2004/issuermeeting-feb18-03.shtml>

If you plan to attend the meeting on February 18, could you please RSVP to:

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Yours truly,

“Barbara Shourounis”

Barbara Shourounis
Director
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