

SASKATCHEWAN REGULATIONS 14/2004

The Securities Act, 1988
Section 154

Commission Order dated March 18, 2004

(Filed March 26, 2004)

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2004 (No. 3)*.

R.R.S. c.S-42.2 Reg 3 amended

2 *The Securities Commission (Adoption of National Instruments) Regulations* are amended in the manner set forth in these regulations.

Section 2 amended

3 The following clauses are added after clause 2(ii):

“(jj) National Instrument 51-102, entitled Continuous Disclosure Obligations, as set out in Part XXXVI of the Appendix;

“(kk) National Instrument 52-107, entitled Acceptable Accounting Principles, Auditing Standards and Reporting Currency, as set out in Part XXXVII of the Appendix;

“(ll) National Instrument 71-102, entitled Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, as set out in Part XXXVIII of the Appendix”.

Part IV of Appendix amended

4 Part IV of the Appendix is amended by repealing items 15 to 17 under the heading “II Other Issuers (Reporting/Non-reporting) B. Continuous Disclosure” of Appendix A to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and substituting the following:

“15. Form 1 (Resale Rule)”.

Part VII of Appendix amended

5(1) Part VII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended by repealing the definition “information circular requirement”.

(3) Subsection 2.1(1) is amended by striking out “, and in Quebec only, the information circular requirement,”.

(4) Section 2.2 is repealed.

(5) Appendix A is amended by repealing “Quebec Policy Statement Q-12 Secondary Distribution through Solicitations under the *Securities Act* (Quebec)”.

(6) Appendices B and C are repealed.

Part VIII of Appendix amended

6 Part VIII of the Appendix is amended by adding the following section after section 3.1:

“3.2 Exemption for years beginning January 1, 2004 - This Instrument does not apply to financial years beginning on or after January 1, 2004”.

Part IX of Appendix amended

7(1) Part IX of the Appendix is amended in the manner set forth in this section.

(2) Clause (g) of the definition of “applicable provisions” in subsection 1.1(1) is repealed.

(3) Subsection 2.1(1) is amended by adding the words “or section 5.4 of National Instrument 51-102 *Continuous Disclosure Obligations*” after the words “section 2.1 of National Instrument 62-102 *Disclosure of Outstanding Share Data*”.

Part XIII of Appendix amended

8(1) Part XIII of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) by repealing the definition of “AIF” and substituting the following:

“‘AIF’ means an annual information form:

(a) in Form 51-102F2;

(b) in Form 51-102F2 or Form 44-101F1, if the annual information form was filed in respect of financial years beginning before January 1, 2004; or

(c) in the form referred to in section 3.4”;

(b) by adding the words “, Form 10-KSB,” after the words “Form 10-K”, wherever they appear in the definition of “current AIF”;

(c) by adding the following definition after the definition of “foreign GAAS”:

“‘Form 51-102F1’ means Form 51-102F1 *Management’s Discussion and Analysis*;

“‘Form 51-102F2’ means Form 51-102F2 *Annual Information Form*”;

(d) by repealing the definition of “MD&A” and substituting the following:

“**MD&A**” means the management’s discussion and analysis of financial condition and results of operations of an issuer:

- (a) in Form 51-102F1; or
- (b) for financial years beginning before January 1, 2004:
 - (i) in Form 51-102F1; or
 - (ii) required to be disclosed in an AIF in respect of financial years beginning before January 1, 2004”; **and**

(e) by the following definition after the definition of “MRRS”:

“**NI 51-102**” means National Instrument 51-102 *Continuous Disclosure Obligations*”.

(3) Subsection 3.1(1) is repealed and the following substituted:

“(1) An issuer filing an initial AIF under this Instrument shall file the AIF:

- (a) in Form 51-102F2;
- (b) in respect of financial years beginning before January 1, 2004, in Form 51-102F2 or Form 44-101F1; or
- (c) in the form referred to in section 3.4”.

(4) Subsection 3.2(1) is repealed and the following substituted:

“(1) An issuer filing a renewal AIF under this Instrument shall file the AIF:

- (a) in Form 51-102F2;
- (b) in respect of financial years beginning before January 1, 2004, in Form 51-102F2 or Form 44-101F1; or
- (c) in the form referred to in section 3.4”.

(5) Subsection 3.2(5) is repealed and the following substituted:

“(5) On receipt of a notice from the 44-101 regulator that its renewal AIF is being reviewed, an issuer shall promptly file the renewal AIF again, in all jurisdictions in which the renewal AIF was filed, with:

- (a) the following statement added in bold type to the cover page of the renewal AIF, if the renewal AIF is in Form 51-102F2, until the issuer is notified that the review has been completed;

This annual information form is currently under review by the provincial and territorial securities regulatory authorities of one or more jurisdictions. Information contained in this form is subject to change.

or

(b) the statement required under Item 1.2 of Form 44-101F1, if the renewal AIF is in Form 44-101F1”.

(6) Subsection 3.3(2) is repealed and the following substituted:

“(2) An issuer that files an AIF under this Instrument shall file an undertaking with the regulator to the effect that, when the securities of the issuer are in the course of a distribution under a preliminary short form prospectus or a short form prospectus, the issuer will provide to any person or company, upon request to the secretary of the issuer:

(a) one copy of the AIF of the issuer, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the AIF;

(b) one copy of the financial statements of the issuer for its most recently completed financial year for which financial statements have been filed together with the accompanying report of the auditor and one copy of the most recent interim financial statements of the issuer that have been filed, if any, for any period after the end of its most recently completed financial year;

(c) one copy of the information circular of the issuer in respect of its most recent annual meeting of shareholders that involved the election of directors; and

(d) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under paragraphs (a), (b) or (c)”.

(7) Section 3.4 is repealed and the following substituted:

“3.4 Alternative Forms of AIF - An issuer that:

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America,

may file an AIF in the form of an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or on Form 20-F”.

(8) Forms 44-101F1 and 44-101F2 are repealed.

(9) Item 10 of Form 44-101F3 is repealed and the following substituted:

“Item 10: Resource Property

10.1 Resource Property - If a material part of the proceeds of a distribution is to be expended on a particular resource property and if the current AIF does not contain the disclosure required under Item 4.3 or 4.4, as appropriate, of Form 44-101F1, or section 5.4 or 5.5, as appropriate, of Form 51-102F2, for the property or that disclosure is inadequate or incorrect due to changes, disclose the information required under section 5.4 or 5.5 of Form 51-102F2”.

(10) Item 12 of Form 44-101F3 is amended:

(a) by repealing subparagraph 12.1(1) 7. and substituting the following:

“7. MD&A relating to the issuer’s interim financial statements included in the short form prospectus”;

(b) by adding the words “for financial years beginning before January 1, 2004,” after the words “information circulars or,” in subparagraph 12.1(1) 8. ”;

(c) by repealing 12.1(3)(a) and substituting the following:

“(a) has filed an AIF in a form of current annual report on Form 10-K, Form 10-KSB or Form 20-F under the 1934 Act, as permitted under section 3.4 of National Instrument 44-101 and under NI 51-102”;

(d) by adding the words “for financial years beginning before January 1, 2004,” after the words “information circulars or,” in subparagraph 12.2 4.; and

(e) striking the words “Form 10-K or Form 20-F” and substituting “Form 10-K, Form 10-KSB or Form 20-F” in clause 13.1(2)(b)(ii).

New Part XXI of Appendix

9 Part XXI of the Appendix is repealed and the following substituted:

“PART XXI
[*clause 2(u)*]
“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES”

“PART I DEFINITIONS

“1.1 Definitions - In this Instrument:

‘**control distribution**’ means a trade described in the provisions of securities legislation listed in Appendix A;

‘convertible security’ means a security of an issuer that is convertible into, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of the same issuer;

‘distribution date’ means:

(a) in respect of a trade that is not a control distribution, the date the security that is the subject of the trade was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder;

(b) in respect of a trade that is a control distribution, the date the security that is the subject of the trade was acquired by the selling security holder;

(c) in respect of a trade of an underlying security that is not a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder; or

(d) in respect of a trade of an underlying security that is a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was acquired by the selling security holder;

‘exchangeable security’ means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of another issuer;

‘former MI 45-102’ means Multilateral Instrument 45-102 *Resale of Securities* that came into force on November 30, 2001;

‘MI 45-102’ or **‘this Instrument’** means Multilateral Instrument 45-102 *Resale of Securities* that came into force on March 30, 2004;

‘MI 45-103’ means Multilateral Instrument 45-103 *Capital Raising Exemptions*;

‘MI 45-105’ means Multilateral Instrument 45-105 *Trades to Employees, Senior Officers, Directors, and Consultants*;

‘multiple convertible security’ means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

‘private company’ has the meaning ascribed to that term in securities legislation;

‘private issuer’ has the meaning ascribed to that term in securities legislation except in Ontario where ‘private issuer’ means a person that:

(a) is not a reporting issuer or a mutual fund;

(b) is an issuer all of whose issued and outstanding shares:

(i) are subject to restrictions on transfer contained in the constating documents of the issuer or one or more agreements among the issuer and the holders of its securities; and

(ii) are beneficially owned, directly or indirectly, by not more than 50 persons or companies, counting any two or more joint registered holders as one beneficial owner, exclusive of persons:

(A) that are employed by the issuer or an affiliated entity of the issuer; or

(B) that beneficially owned, directly or indirectly, shares of the issuer while employed by it or an affiliated entity of it and at all times since ceasing to be so employed have continued to beneficially own, directly or indirectly, at least one share of the issuer; and

(c) has not distributed any securities to the public;

‘**SEDAR**’ has the meaning ascribed to that term in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

‘**underlying security**’ means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

“PART 2 FIRST TRADES

“2.1 **Application** - In Manitoba, New Brunswick and the Yukon Territory, sections 2.2 to 2.7 and 2.10 to 2.14 do not apply.

“2.2 **Removal of Resale Provisions** - In Newfoundland and Labrador, Nova Scotia and Ontario, the provisions in securities legislation listed in Appendix C, respectively, do not apply.

“2.3 **Section 2.5 Applies** - If a security was distributed under any of the provisions listed in Appendix D, the first trade of that security is subject to section 2.5.

“2.4 **Section 2.6 Applies** - If a security was distributed under any of the provisions listed in Appendix E, the first trade of that security is subject to section 2.6.

“2.5 **Restricted Period**

(1) Unless the conditions in subsection (2) are satisfied, a trade that is specified by section 2.3 or other securities legislation to be subject to this section is a distribution.

(2) Subject to subsection (3), for the purposes of subsection (1) the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. At least four months have elapsed from the distribution date.

3. If the distribution date is on or after March 30, 2004; and

(a) the issuer is a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend restriction notation; stating:

“Unless permitted under securities legislation, the holder of this security must not trade the security before [*insert the date that is 4 months and a day after the distribution date*].”

or:

(b) the issuer is not a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend restriction notation; stating:

“Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) [*insert the distribution date*], and (ii) the date the issuer became a reporting issuer in any province or territory.”

4. The trade is not a control distribution.

5. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

6. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

7. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) Item 3.(a) of subsection (2) does not apply to a trade of an underlying security if the certificate representing the underlying security or the ownership statement issued under a direct registration book-entry system or other electronic system acceptable to the regulator, is issued at least four months after the distribution date.

“2.6 Seasoning Period

(1) Unless the conditions in subsection (3) are satisfied, a trade that is specified by section 2.4 or other securities legislation to be subject to this section is a distribution.

(2) The first trade of securities issued by a private company or private issuer made after the issuer has ceased to be a private company or private issuer is a distribution unless the conditions in subsection (3) are satisfied.

(3) For the purposes of subsections (1) and (2), the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months

immediately preceding the trade.

2. The trade is not a control distribution.
3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.
4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.
5. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

“2.7 Exemption for a Trade if the Issuer Becomes a Reporting Issuer After the Distribution Date

- (1) Item 1. of subsection 2.5(2) does not apply if the issuer became a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and is a reporting issuer in a jurisdiction of Canada at the time of the trade.
- (2) Item 1. of subsection 2.6(3) does not apply if the issuer became a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and is a reporting issuer in a jurisdiction of Canada at the time of the trade.
- (3) Item 1. of subsection 2.8(2) does not apply if the issuer became a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and is a reporting issuer in a jurisdiction of Canada at the time of the trade.

“2.8 Exemption for a Trade by a Control Person

- (1) The prospectus requirement does not apply to a control distribution, or a distribution by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a debt made in good faith by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt if the security was acquired by the lender, pledgee, mortgagee or other encumbrancer in a control distribution, if the conditions in subsection (2) are satisfied.
- (2) For the purposes of subsection (1), the conditions are:
 1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.
 2. The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, has held the securities for at least four months.
 3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.
 4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.
 5. The selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, under subsection (2) must:

(a) sign Form 45-102F1 no earlier than one business day before the form is filed;

(b) file Form 45-102F1 on SEDAR at least seven days before the first trade of the securities that is part of the distribution; and

(c) file, within three days after the completion of any trade, an insider report prepared in accordance with either Form 55-102F2 or Form 55-102F6 under National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*.

(4) A Form 45-102F1 filed under subsection (3) expires thirty days from the date the form was filed.

(5) If a person or company filed a Form 45-102F3 or a renewal Form 45-102F3 under former MI 45-102 before March 30, 2004, the person or company is not subject to subsection (3) until 30 days after the date the Form 45-102F3 or the renewal Form 45-102F3 was filed.

“2.9 Determining Time Periods

(1) In determining the period of time that an issuer was a reporting issuer for the purposes of section 2.5, 2.6 or 2.8, if the issuer was a party to an amalgamation, merger, continuation or arrangement, the selling security holder may include the period of time that one of the parties to the amalgamation, merger, continuation or arrangement was a reporting issuer in a jurisdiction of Canada immediately before the amalgamation, merger, continuation or arrangement to determine the period of time it has been a reporting issuer in a jurisdiction of Canada.

(2) In determining the period of time that a selling security holder has held a security for the purposes of section 2.5 or 2.8, if the selling security holder acquired the security from an affiliate of the selling security holder, the selling security holder may include the period of time that the affiliate held the security.

(3) In determining the period of time that a selling security holder has held an underlying security for the purposes of section 2.8, the selling security holder may include the period of time the selling security holder held the convertible security, exchangeable security or multiple convertible security.

(4) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held a security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the security.

(5) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held an underlying security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the convertible security, exchangeable security or multiple convertible security.

- “2.10 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Prospectus** - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if:
- (a) a receipt was obtained for a prospectus qualifying the distribution of the convertible security, exchangeable security or multiple convertible security;
 - (b) the trade is not a control distribution; and
 - (c) the issuer of the underlying security is a reporting issuer at the time of the trade.
- “2.11 Exemption for a Trade in a Security Acquired in a Take-over Bid or Issuer Bid** - Section 2.6 does not apply to a trade of a security of an offeror if:
- (a) a securities exchange take-over bid circular or securities exchange issuer bid circular relating to the distribution of the security was filed by the offeror on SEDAR;
 - (b) the trade is not a control distribution; and
 - (c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid.
- “2.12 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Securities Exchange Take-over Bid Circular or Issuer Bid Circular** - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if:
- (a) a securities exchange take-over bid circular or a securities exchange issuer bid circular relating to the distribution of the convertible security, exchangeable security or multiple convertible security was filed by the offeror on SEDAR;
 - (b) the trade is not a control distribution;
 - (c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid; and
 - (d) the issuer of the underlying security is a reporting issuer at the time of the trade.
- “2.13 Trades by Underwriters** - A trade by an underwriter of securities distributed under any of the provisions listed in Appendix F is a distribution.
- “2.14 First Trades in Securities of a Non-Reporting Issuer Distributed under a Prospectus Exemption**
- (1) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if:
- (a) the issuer of the security:
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date; or

- (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada:
 - (i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series; and
 - (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and
 - (c) the trade is made:
 - (i) through an exchange, or a market, outside of Canada; or
 - (ii) to a person or company outside of Canada.
- (2) The prospectus requirement does not apply to the first trade of an underlying security if:
- (a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;
 - (b) the issuer of the underlying security:
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date of the convertible security, exchangeable security or multiple convertible security; or
 - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (c) the conditions in paragraph (1)(b) would have been satisfied for the underlying security at the time of the initial distribution of the convertible security, exchangeable security or multiple convertible security; and
 - (d) the condition in paragraph (1)(c) is satisfied.

“PART 3 EXEMPTION

“3.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

“PART 4 EFFECTIVE DATE

- “4.1 Effective Date** - This Instrument comes into force on March 30, 2004.

“APPENDIX A

“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES

CONTROL DISTRIBUTIONS

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Alberta	Definition of ‘control person’ in section 1(l) and subclause (iii) of the definition of ‘distribution’ contained in section 1(p) of the <i>Securities Act</i> (Alberta)
British Columbia	Paragraph (c) of the definition of ‘distribution’ contained in section 1(1) of the <i>Securities Act</i> (British Columbia)
Manitoba	Paragraph (b) of the definition of ‘primary distribution to the public’ contained in subsection 1(1) of the <i>Securities Act</i> (Manitoba)
Newfoundland and Labrador	Clause 2(1)(l)(iii) of the <i>Securities Act</i> (Newfoundland and Labrador)
Northwest Territories	Definition of ‘control person’ and paragraph (iii) of the definition of ‘distribution’ contained in subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Nova Scotia	Clause 2(1)(l)(iii) of the <i>Securities Act</i> (Nova Scotia)
Nunavut	Definition of ‘control person’ and paragraph (iii) of the definition of ‘distribution’ contained in subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Ontario	Paragraph (c) of the definition of ‘distribution’ contained in subsection 1(1) of the <i>Securities Act</i> (Ontario)
Prince Edward Island	Clause (iii) of the definition of ‘distribution’ in section 1 of the <i>Securities Act</i> (Prince Edward Island)
Saskatchewan	Subclauses 2(1)(r)(iii), (iv) and (v) of <i>The Securities Act, 1988</i> (Saskatchewan)

“APPENDIX B

**“MULTILATERAL INSTRUMENT 45-102
*RESALE OF SECURITIES***

REPORTING ISSUER JURISDICTIONS

Alberta

British Columbia

Manitoba

Nova Scotia

Ontario

Quebec

Saskatchewan

“APPENDIX C

**“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**NON-APPLICABLE RESALE PROVISIONS
(Section 2.2)**

JURISDICTION

SECURITIES LEGISLATION REFERENCE

Newfoundland
and Labrador

Clause 54(5)(a), subsections 54(7), 54(9), 54(10), 73(4), 73(5), 73(6) as it relates to clause 72(1)(r), 73(7) but not as it relates to subsection 54(6) and 54(7), 73(12), 73(18), 73(19) and 73(24) of the Securities Act (Newfoundland and Labrador)

Nova Scotia

Subsections 77(5), 77(6), 77(7), 77(7A), 77(7B), 77(8), 77(9), 77(10)(a) and 77(11) of the *Securities Act* (Nova Scotia)

Ontario

Subsections 72(4), 72(5), 72(6) as it relates to clause 72(1)(r), and 72(7) of the *Securities Act* (Ontario)

“APPENDIX D**“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES****RESTRICTED PERIOD TRADES
(Section 2.3)**

Sections 131(1), (b), (c), (l) and (m) of the *Securities Act* (Alberta)

Section 122(d) and section 122.2 of the Alberta Securities Commission Rules, section 3.1 of Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta*, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Section 131(1)(f)(iii) of the *Securities Act* (Alberta) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act* (Alberta), the Alberta Securities Commission Rules or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Sections 74(2)(1) to (6), (16), (18), (19), (23) and (25) of the *Securities Act* (British Columbia)

Sections 128(a), (b), (c), (e), (f) and (h) of the *Securities Rules* (British Columbia) and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Sections 74(2)(11)(ii), 74(2)(11)(iii) and 74(2)(13) of the *Securities Act* (British Columbia) if the security acquired by the selling security holder or the right to purchase, convert or exchange or otherwise acquire, was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia), the *Securities Rules* (British Columbia) or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Section 74(2)(12) of the *Securities Act* (British Columbia) if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia), the *Securities Rules* (British Columbia) or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clauses 54(3)(f) and (g) and 73(1)(a), (b), (c), (d), (h), (l), (m), (p) and (q) of the *Securities Act* (Newfoundland and Labrador), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103, or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subclause 73(1)(f)(iii) of the *Securities Act* (Newfoundland and Labrador) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act* (Newfoundland and Labrador) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories), subsections 3.1(2), 4.1(2), 4.1(4), 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clauses 77(1)(a), (b), (c), (d), (l), (m), (p), (q), (u), (w), (y), (ab) and (ad) of the *Securities Act* (Nova Scotia), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subclause 77(1)(f)(iii) of the *Securities Act* (Nova Scotia) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act* (Nova Scotia) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z) of Blanket Order No.1 of the Registrar of Securities (Nunavut), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subparagraph 3(e)(iii) of Blanket Order No.1 of the Registrar of Securities (Nunavut) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Nunavut) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clauses 72(1)(a), (b), (c), (d), (l), (m), (p) and (q) of the *Securities Act* (Ontario) and subclause 72(1)(f)(iii) of the *Securities Act* (Ontario) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act* (Ontario), or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clauses 13(1)(a), (b), (c), (g) and (i) of the *Securities Act* (Prince Edward Island), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subclause 13(1)(e)(iii) of the *Securities Act* (Prince Edward Island) if the right to purchase, convert or exchange was previously acquired under one the above-listed exemptions under the *Securities Act* (Prince Edward Island) or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clauses 81(1)(a), (b), (c), (d), (m), (n), (s), (t), (v), (w), (z), (bb) and (ee) of *The Securities Act, 1988* (Saskatchewan) and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Subclauses 81(1)(f)(iii) and (iv) of *The Securities Act, 1988* (Saskatchewan) if the convertible security, exchangeable security or multiple convertible security was acquired under one of the exemptions of *The Securities Act, 1988* (Saskatchewan) or MI 45-103 referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

Clause 81(1)(e) of *The Securities Act, 1988* (Saskatchewan) if the person or company from whom the securities were acquired obtained the securities under one of the exemptions of *The Securities Act, 1988* (Saskatchewan) referred to in this Appendix

“APPENDIX E**“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES****SEASONING PERIOD TRADES
(Section 2.4)**

Section 131(1)(f) if not included in Appendix D of this Instrument, sections 131(h), (i), (j), (k), and (y) of the *Securities Act* (Alberta) [and sections 107(1) (j.1) and (k.1) prior to their repeal by section 5 of the *Securities Amendment Act, 1989* (Alberta)], subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Section 74(2)(11)(iii) if not included in Appendix D or F and sections 74(2)(7), (8) if not included in Appendix F, (9) to (11), (13), (22) and (24) of the *Securities Act* (British Columbia)

Section 128(g) of the *Securities Rules* (British Columbia), section 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Section 74(2)(12) of the *Securities Act* (British Columbia), if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia), the *Securities Rules* (British Columbia) or a multilateral instrument referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clauses 54(3) and 73(1)(f) if not included in Appendix D or F of this Instrument, (i) if not included in Appendix F, (j), (k) and (n) of the *Securities Act* (Newfoundland and Labrador), subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Paragraphs 3(e), (f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories), except for a trade made under subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) that is included in Appendix D or F of this Instrument or a trade made under paragraph 3(g) that is included in Appendix F of this Instrument, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clause 77(1)(f) of the *Securities Act* (Nova Scotia) if not included in Appendix D or F of this Instrument, and clauses 77(1)(h), (i) if not included in Appendix F, (j), (k), (n), (v), (va), (ac), (ae) and (af) of the *Securities Act* (Nova Scotia), and clause 78(1)(a) of the *Securities Act* (Nova Scotia) as it relates to clause 41(2)(j) of the *Securities Act* (Nova Scotia) and Blanket Order No. 37, 38 if not included in Appendix F, 46 and 45-503 if not included in Appendix F, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Paragraphs 3(e), (f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (Nunavut), except for a trade made under subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Nunavut) that is included in Appendix D or F of this Instrument or a trade made under paragraph 3(g) that is included in Appendix F of this Instrument, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clauses 72(1)(f), (i) if not included in Appendix F, (j), (k) and (n) of the *Securities Act* (Ontario), except for a trade made under 72(1)(f)(iii) of the *Securities Act* (Ontario) that is:

- (i) included in Appendix D or F of this Instrument; or
- (ii) contemplated by section 6.5 of Ontario Securities Commission Rule 45-501 *Exempt Distributions*

and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clauses 13(1)(e) if not included in Appendix D or F of this Instrument, (f) if not included in Appendix F, (h) and (k) of the *Securities Act* (Prince Edward Island) or section 3.1 or 3.2 of Rule 45-501, section 1.1 of Prince Edward Island Rule 45-502, section 2.1 or 2.2 of Prince Edward Island Rule 45-506 or section 2.1 or 2.2 of Prince Edward Island Rule 45-510, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clauses 81(1)(a.1), (e) if not included in Appendix D of this Instrument, (f) if not included in Appendix D or F of this Instrument, (f.1), (g), (h), (i) if not included in Appendix F, (i.1), (j), (k), (o), (cc) and (dd) of *The Securities Act, 1988* (Saskatchewan), subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

“APPENDIX F**“MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES****UNDERWRITERS
(Section 2.13)**

Section 74(2)(15) of the *Securities Act* (British Columbia) and section 74(2)(8) or 74(2)(11)(iii) of the *Securities Act* (British Columbia) if the original security was acquired under section 74(2)(15) of the *Securities Act* (British Columbia)

Clause 73(1)(r) of the *Securities Act* (Newfoundland and Labrador) and section 73(1)(i) or 73(1)(f)(iii) of the *Securities Act* (Newfoundland and Labrador) if the original security was acquired under section 73(1)(r) of the *Securities Act* (Newfoundland and Labrador)

Paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) and paragraph 3(g) or subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) if the original security was acquired under paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories)

Clause 77(1)(r) of the *Securities Act* (Nova Scotia) and clause 77(1)(i) or 77(1)(f)(iii) of the *Securities Act* (Nova Scotia) or Blanket Order No. 38 or 45-503 if the original security was acquired under clause 77(1)(r) of the *Securities Act* (Nova Scotia)

Paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Nunavut) and paragraph 3(g) or subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Nunavut) if the original security was acquired under paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)

Clause 72(1)(r) of the *Securities Act* (Ontario) and clause 72(1)(f)(iii) or 72(1)(i) if the original security was acquired under section 72(1)(r) of the *Securities Act* (Ontario)

Section 2.1 of Prince Edward Island Rule 45-509 and subclause 13(1)(e) (iii) or clause 13(1)(f) of the *Securities Act* (Prince Edward Island) or section 1.1 of Prince Edward Island Rule 45-502 if the original security was acquired under section 2.1 of Prince Edward Island Rule 45-509

Clause 81(1)(u) of *The Securities Act, 1988* (Saskatchewan) and clause 81(1)(i) or subclause 81(1)(f)(iii) of *The Securities Act, 1988* (Saskatchewan) if the original security was acquired under clause 81(1)(u) of *The Securities Act, 1988* (Saskatchewan)

“FORM 45-102F1

**“Notice of Intention to Distribute Securities under Section 2.8 of
MI 45-102 Resale of Securities**

Reporting issuer

1. Name of reporting issuer:

Selling security holder

2. Your name:

3. The offices or positions you hold in the reporting issuer:

4. Are you selling securities as a lender, pledgee, mortgagee or other encumbrancer?

5. Number and class of securities of the reporting issuer you beneficially own:

Distribution

6. Number and class of securities you propose to sell:

7. Will you sell the securities privately or on an exchange or market? If on an exchange or market, provide the name.

Warning

It is an offence to submit information that, in a material respect and in light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I certify that:

- (1) I have no knowledge of a material fact or material change with respect to the issuer of the securities that has not been generally disclosed; and
- (2) the information given in this form is true and complete.

Date: _____

Your name (Selling security holder)

Your signature (or if a company, the signature of your authorized signatory)

Name of your authorized signatory

INSTRUCTIONS:

File this form electronically through SEDAR with the securities regulatory authority in each jurisdiction where you sell securities and with the Canadian exchange on which the securities are listed. Where the securities are being sold on an exchange, the form should be filed in every jurisdiction across Canada.

Notice to selling security holders - collection and use of personal information

The personal information required in this form is collected for and used by the listed securities regulatory authorities to administer and enforce securities legislation in their jurisdictions. This form is publicly available by authority of Multilateral Instrument 45-102 and the securities legislation in each of the jurisdictions. The personal information collected will not be used or disclosed other than for the stated purposes without first obtaining your consent. Corporate filers should seek the consent of any individuals whose personal information appears in this form before filing this form.

If you have questions about the collection and use of your personal information, or the personal information of your authorized signatory, contact any of the securities regulatory authorities listed below.

Alberta Securities Commission

4th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C. V7Y 1L2
Attention: Manager, Financial and Insider Reporting
Telephone: (604) 899-6730 or (800) 373-6393 (in B.C.)
Facsimile: (604) 899-6506

Securities Commission of Newfoundland and Labrador

P.O. Box 8700
2nd Floor, West Block
Confederation Building
75 O'Leary Avenue
St. John's NFLD A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Department of Justice, Northwest Territories

Legal Registries

P.O. Box 1320
1st Floor, 5009-49th Street
Yellowknife, NWT X1A 2L9
Attention: Director, Legal Registries
Telephone: (867) 873-7490
Facsimile: (867) 873-0243

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, NS B3J 3J9
Attention: Corporate Finance
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Department of Justice, Nunavut

Legal Registries Division

P.O. Box 1000 - Station 570
1st Floor, Brown Building
Iqaluit, NT X0A 0H0
Attention: Director, Legal Registries Division
Telephone: (867) 975-6190
Facsimile: (867) 975-6194

Ontario Securities Commission

Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Administrative Assistant to the Director of Corporate Finance
Telephone: (416) 593-8314
Facsimile: (416) 593-8177

Prince Edward Island Securities Office

Consumer, Corporate and Insurance Services Division
Office of the Attorney General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Registrar of Securities
Telephone: (902) 368- 4550
Facsimile: (902) 368-5283

Saskatchewan Financial Services Commission

Securities Division

6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Attention: Deputy Director, Legal
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

”.

Part XXIX of Appendix amended

10(1) Part XXIX of the Appendix is amended in the manner set forth in this section.

(2) Part 1 is amended:**(a) by adding the following definitions after the definition of “accredited investor”:**

“**AIF**” has the meaning ascribed to that term under NI 51-102;

“**CPC instrument**” means a rule or regulation of a jurisdiction of Canada or a rule, regulation or policy of an exchange in Canada that applies only to capital pool companies”;

(b) by adding “, Newfoundland , and Labrador” after “Nunavut” in the definition of “control person”;**(c) by adding the following after the definition of “fully managed account”:**

“**MD&A**” has the meaning ascribed to that term under NI 51-102”;

(d) by adding the following after the definition of “MI 45-102”:

“**NI 51-102**” means National Instrument 51-102 *Continuous Disclosure Obligations*”;

(e) by repealing the definition of “non-redeemable investment fund” and substituting the following:

“**non-redeemable investment fund**” means an issuer:

- (a) where contributions of security holders are pooled for investment;
- (b) where security holders do not have day-to-day control over the management and investment decisions of the issuer, whether or not they have the right to be consulted or to give directions; and
- (c) whose securities do not entitle the security holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the issuer”;

(f) by repealing the definition of “qualifying issuer” and substituting the following:

“**qualifying issuer**” means an issuer that:

- (a) is a reporting issuer in a jurisdiction;

(b) is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

(c) has filed all documents that it is required to file under NI 51-102, National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

(d) if not a venture issuer, has filed in a jurisdiction:

(i) a prospectus (other than a prospectus filed under a CPC instrument) but, since becoming a reporting issuer, has not yet filed or been required to file an AIF or annual financial statements under NI 51-102; or

(ii) an AIF, MD&A and annual financial statements under NI 51-102; and

(e) if a venture issuer:

(i) has filed in a jurisdiction a prospectus, other than a prospectus filed under a CPC instrument, but since becoming a reporting issuer has not yet filed, or been required to file, annual financial statements under NI 51-102;

(ii) has filed in a jurisdiction an information circular or filing statement in respect of a qualifying transaction for a capital pool company under a CPC instrument, but has not, subsequently filed, or been required to file, annual financial statements under NI 51-102; or

(iii) has filed in a jurisdiction:

(A) MD&A and annual financial statements under NI 51-102; and

(B) an AIF in the form required by Form 51-102F2 with copies of all material incorporated by reference in the AIF and not previously filed"; **and**

(g) by adding the following after the definition of “reporting issuer”:

“**venture issuer**” has the meaning ascribed to that term in NI 51-102”.

(3) Section 4.1 is amended:

(a) in subsections (1) and (2) by striking out “British Columbia and Nova Scotia” and substituting “British Columbia, Nova Scotia, and Newfoundland and Labrador”; and

(b) in subsections (3) and (4) by striking out “Newfoundland and Labrador”.

(4) Subsection 6.4(1) is amended:

(a) in paragraph (a) by striking out “listed in Appendix B of MI 45-102” and substituting “of Canada”;

(b) by repealing paragraphs (b) and (c) and substituting the following:

“(b) if the issuer was not a reporting issuer in any jurisdiction of Canada at the time the security was acquired, the security has been held for at least 12 months;

“(c) the issuer of the security subsequently has filed a prospectus with the securities regulatory authority in Manitoba with respect to the security and has obtained a receipt for that prospectus, or”; **and**

(c) in paragraph (d):

(i) by striking out “prospectus and”; and

(ii) by adding “dealer registration requirements” after “and in the case of a trade that would be subject to the prospectus requirement, is made under an exemption from the prospectus requirements”.

(5) The following is added after Part 9:**“PART 10 TRANSITIONAL PERIOD****“10.1 Transitional period**

(1) In this Part, ‘original MI 45-102’ means Multilateral Instrument 45-102 Resale of Securities as it existed immediately before its repeal on March 30, 2004.

(2) Despite the definition of qualifying issuer in section 1.1 of this instrument, an issuer that was a qualifying issuer as that term was defined in original MI 45-102 on March 29, 2004 will be considered to be a qualifying issuer under this instrument until:

(a) in the case of a venture issuer, the date following March 29, 2004 on which it first files or is required to file under NI 51-102, whichever is earlier, MD&A and annual financial statements; and

(b) in the case of an issuer other than a venture issuer, the date following March 29, 2004 that it first files or is required to file an AIF, MD&A and annual financial statements under NI 51-102”.

(6) Form 45-103F1 is amended:

(a) by striking out the words “12 months” from the phrase “You will be restricted from selling your securities for [4 months/12months/an indefinite period]” under the subheading “Resale restrictions” on the first page”;

(b) by repealing Item 10.2 and substituting the following:

“10.2 Restricted Period - For trades in Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island and Saskatchewan, state one of the following as applicable:

(a) If the issuer is not a reporting issuer in a jurisdiction at the distribution date state:

“Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date [insert name of issuer or other term used to refer to the issuer] becomes a reporting issuer in any province or territory of Canada.”

(b) If the issuer is a reporting issuer in a jurisdiction at the distribution date state:

“Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the distribution date”;

(c) in Item 10.3 is amended by:

(i) by striking out “listed in Appendix A of MI 45-102” in the preamble; and

(ii) by adding “Unless permitted under securities legislation,” before “You must not trade the securities”;

(d) by repealing Item 1 of Part B of the Instructions for Completing Form 45-103F1 and substituting the following:

“1. All financial statements included in the offering memorandum must comply with National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107), regardless of whether the issuer is a reporting issuer or not”;

(e) in sub-paragraph 4(c) of Part B of the Instructions for Completing Form 45-103F1:

(i) by striking out “3, 6 or 9 month interim period that” and substituting “interim period ending 9, 6, or 3 months before the end of the issuer’s financial year, if that interim period”; and

(ii) by striking out “the financial statements” and substituting “any financial statements”;

(f) by repealing Item 6 of Part B of the Instructions for Completing Form 45-103F1 and substituting the following:

“6. If the issuer has changed its year end, refer to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) for guidance concerning interim periods in a transition year. To satisfy B. 4(c) in a transition year, provide financial statements for the most recently completed interim period that ended more than 60 days before the date of the offering memorandum and ended after the date of any financial statements required under B. 4(a)”;

(g) in Item 8 of Part B of the Instructions for Completing Form 45-103F1:

(i) by striking out “Canadian generally accepted auditing standards (Canadian GAAS) and the” **and substituting** “the requirements of NI 52-107. The”; **and**

(ii) by adding at the end of the item “Refer to National Instrument 52-108 *Auditor Oversight* for requirements for auditors of reporting issuers”;

(h) in Item 9 of Part B of the Instructions for Completing Form 45-103F1 by striking out “Each page of any” **and substituting** “All”;

(i) by repealing Item 11 of Part B of the Instructions for Completing Form 45-103F1 and substituting the following:

“11. The offering memorandum does not have to be updated to include interim financial statements for periods completed after the date 60 days prior to the date of the offering memorandum unless it is necessary to do so to prevent the offering memorandum from containing a misrepresentation”;

(j) in Item 1 of Part C of the Instructions for Completing Form 45-103F1 by adding “specified in C. 4” **before** “for the business”;

(k) in Item 2 of Part C of the Instructions for Completing Form 45-103F1 by striking out “50%” **and substituting** “40%” **wherever it appears”;**

(l) in paragraph 2(b) of Part C of the Instructions for Completing Form 45-103F1 by adding “, excluding any investments in or advances to the business,” **before** “as at the end of”;

(m) in Item 5 of Part C of the Instructions for Completing Form 45-103F1 by striking out “Canadian GAAS and the” **and substituting** “the requirements of Part 6 of NI 52-107. The”;

(n) in Item 8 of Part C of the Instructions for Completing Form 45-103F1 by adding “as defined in NI 51-102” **after** “reverse take-over”;

(o) by adding the following item after item 8 of Part c of the Instructions for Completing Form 45-103F1:

- “9. An issuer is exempt from the requirements in C.4 if the issuer includes in the offering memorandum the financial statements required in a business acquisition report under NI 51-102”;

(p) in Item 2 of Part D of the Instructions for Completing Form 45-103F1:

- (i) by striking out “An” and substituting “Notwithstanding the requirements in section 3.2(2)1 of NI 52-107, an”;** and

- (ii) by adding “of a non-reporting issuer” after “offering memorandum”;**

(q) by repealing Items 3 and 4 of Part D of the Instructions for Completing Form 45-103F1; and

(r) in Item 6 of Part D of the Instructions for Completing Form 45-103F1:

- (i) in paragraph (a) by adding “or the reporting issuer does not have access to those financial statements,” after “do not exist”;** and

- (ii) repealing paragraph (d) and substituting the following:**

“(d) the offering memorandum contains alternative disclosure for the property which includes:

- (i) an operating statement (which must be accompanied by an audit report if it is prepared as an alternative to audited annual financial statements) presenting for the business, at a minimum, the following line items:

- (A) gross revenue;
- (B) royalty expenses;
- (C) production costs; and
- (D) operating income;

- (ii) information with respect to the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the seller of the person who prepared the estimates; and other relevant information regarding the property;

- (iii) actual production volumes of the property for the most recently completed year; and

- (iv) estimated production volumes of the property for the next year, based on information in the reserve report”.

(7) The Instructions for Completing Form 45-103F2 are amended:

(a) in Item 1 of Part A by striking out the words “as defined in Multilateral Instrument 45-102 Resale of Securities (MI 45-102)”;

(b) by repealing Item 1 of Part B and substituting the following:

“1. Any financial statements incorporated by reference into the offering memorandum must comply with National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*”;

(c) by repealing Item 1 of Part C and substituting the following:

“1. If the offering memorandum does not incorporate by reference the issuer's AIF, prospectus, information circular or filing statement (as listed in the definition of qualifying issuer) that the issuer is relying on to meet the definition of qualifying issuer, update the offering memorandum to incorporate by reference the document as soon as the document is filed on SEDAR”;

(d) in Item 2.2 of Part D:

(i) by repealing paragraph (a) and substituting the following:

“(a) the issuer’s AIF, prospectus, information circular or filing statement (as listed in the definition of qualifying issuer) that the issuer is relying on to meet the definition of qualifying issuer”;

(ii) in paragraph (f) by striking out “for the annual comparative financial statements referred to in 2.2 (d)” and substituting “as required under NI 51-102”;

(iii) by repealing paragraph (g) and substituting the following:

“(g) each business acquisition report required to be filed under NI 51-102”;

(iv) in paragraph (i) by adding “as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*,” after “mineral project,”; and

(v) by repealing paragraph (j) and substituting the following:

“(j) if the issuer has oil and gas activities, as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, all documents that it is required to file under NI 51-101 after the commencement of the issuer’s current financial year”.

(8) Form 45-103F4 is amended:

(a) in section 1 of *Issuer Information* by striking out “If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor” and substituting “Also state

the full name and address of the vendor, if this report is filed:

- (a) by a vendor who is not the issuer, and
- (b) in connection with an exemption other than those contained in MI 45-103”.

Part XXX of Appendix amended

11(1) Part XXX of the Appendix is amended in the manner set forth in this section.

(2) Subsection 2.2(1) is amended:

(a) by repealing paragraph (b) and substituting the following:

“(b) permitted assign of a person or company referred to in paragraph (a)”; **and**

(b) by striking out “a trustee, custodian, or administrator acting on behalf of an employee, senior officer, director, or consultant of the issuer or affiliated entity of the issuer” **at the end of subsection 2.2(1) and substituting** “a permitted assign of the employee, senior officer, director, or consultant”.

(3) Section 2.4 is amended:

(a) in subsection (1) by adding “on the secondary market in accordance with a plan or” **after** “trade of a security that was acquired”; **and**

(b) by repealing subsections (2) and (3) and substituting the following:

“(2) The dealer registration requirement does not apply to a trade by a trustee, custodian, or administrator acting on behalf of, or for the benefit of, employees, senior officers, directors, or consultants of the issuer or an affiliated entity of the issuer, in a security of the issuer’s own issue, to:

- (a) an employee, senior officer, director, or consultant of the issuer or an affiliated entity of the issuer; or
- (b) a permitted assign of a person or company referred to in paragraph (a);

if the security was acquired from:

- (c) an employee, senior officer, director, or consultant of the issuer or an affiliated entity of the issuer; or
- (d) the permitted assign of a person referred to in paragraph (c).

“(3) The prospectus requirement does not apply to a distribution in the circumstances described in subsections (1) and (2).

“(4) For the purposes of the exemptions referred to in subsection (1), (2) and (3), all references to employee, senior officer, director, or consultant include a former employee,

senior officer, director, or consultant”.

(4) Section 3.2 is amended by adding “under Part 2 or” after “acquired”.

Appendix amended

12 The following Parts are added after Part XXXV of the Appendix:

“PART XXXVI
[clause 2(jj)]

“NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS

“PART 1 DEFINITIONS AND INTERPRETATION

“1.1 Definitions and Interpretation - In this Instrument:

‘AIF’ means a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC issuer, a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or Form 20-F;

‘approved rating’ means, for a security, a rating at or above one of the following rating categories issued by an approved rating organization for the security or a rating category that replaces a category listed below:

Approved Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
Dominion Bond Rating Service Limited	BBB	R-2	Pfd-3
Fitch Ratings Ltd.	BBB	F3	BBB
Moody’s Investors Service	Baa	Prime-3	“baaa”
Standard & Poor’s	BBB	A-3	P-3

‘approved rating organization’ means each of Dominion Bond Rating Service Limited, Fitch Ratings Ltd., Moody’s Investors Service, Standard & Poor’s and any of their successors;

‘asset-backed security’ means a security that is primarily serviced by the cash flows of a discrete pool of mortgages, receivables or other financial assets, fixed or revolving, that by their terms convert into cash within a finite period and any rights or other assets designed to assure the servicing or the timely distribution of proceeds to securityholders;

‘board of directors’ means, for a person or company that does not have a board of directors, an individual or group that acts in a capacity similar to a board of directors;

‘business acquisition report’ means a completed Form 51-102F4 *Business Acquisition Report*;

‘class’ includes a series of a class;

'common share' means an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding securities of the reporting issuer;

'date of acquisition' means the date of acquisition required for accounting purposes;

'exchange-traded security' means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

'executive officer' of a reporting issuer means an individual who is:

- (a) a chair of the reporting issuer;
- (b) a vice-chair of the reporting issuer;
- (c) the president of the reporting issuer;
- (d) a vice-president of the reporting issuer in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the reporting issuer or any of its subsidiaries who performed a policy-making function in respect of the reporting issuer; or
- (f) any other individual who performed a policy-making function in respect of the reporting issuer;

'form of proxy' means a document containing the information required under section 9.4 that, on completion and execution by or on behalf of a securityholder, becomes a proxy;

'income from continuing operations' means income or loss, adjusted to exclude discontinued operations, extraordinary items and income taxes;

'information circular' means a completed Form 51-102F5 *Information Circular*;

'informed person' means:

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities;

‘inter-dealer bond broker’ means a person or company that is approved by the Investment Dealers Association under its By-Law No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its By-law No. 36 and its Regulation 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

‘interim period’ means:

(a) in the case of a year other than a transition year, a period commencing on the first day of the financial year and ending nine, six or three months before the end of the financial year; or

(b) in the case of a transition year, a period commencing on the first day of the transition year and ending:

(i) three, six, nine or twelve months, if applicable, after the end of the old financial year; or

(ii) twelve, nine, six or three months, if applicable, before the end of the transition year;

‘investment fund’ means a mutual fund or a non-redeemable investment fund;

‘MD&A’ means a completed Form 51-102F1 *Management’s Discussion & Analysis* or, in the case of an SEC issuer, a completed Form 51-102F1 or management’s discussion and analysis prepared in accordance with Item 303 of Regulation S-K or item 303 of Regulation S-B under the 1934 Act;

‘marketplace’ means:

(a) an exchange;

(b) a quotation and trade reporting system;

(c) a person or company not included in paragraph (a) or (b) that:

(i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;

(ii) brings together the orders for securities of multiple buyers and sellers; and

(iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade; or

(d) a dealer that executes a trade of an exchange-traded security outside of a marketplace;

but does not include an inter-dealer bond broker;

‘material change’ means:

- (a) a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer; or
- (b) a decision to implement a change referred to in paragraph (a) made by the board of directors or other persons acting in a similar capacity or by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or any other persons acting in a similar capacity is probable;

‘mineral project’ means any exploration, development or production activity in respect of natural, solid, inorganic or fossilized organic material including base and precious metals, coal and industrial minerals;

‘new financial year’ means the financial year of a reporting issuer that immediately follows a transition year;

‘non-voting security’ means a restricted security that does not carry the right to vote generally, except for a right to vote that is mandated, in special circumstances, by law;

‘non-redeemable investment fund’ means any issuer:

- (a) where contributions of securityholders are pooled for investment;
- (b) where securityholders do not have day-to-day control over the management and investment decisions of the issuer, whether or not they have the right to be consulted or to give directions; and
- (c) whose securities do not entitle the securityholder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the issuer;

‘old financial year’ means the financial year of a reporting issuer that immediately precedes a transition year;

‘preference share’ means a security to which is attached a preference or right over the securities of any class of equity securities of the reporting issuer, but does not include an equity security;

‘principal obligor’ means, for an asset-backed security, a person or company that is obligated to make payments, has guaranteed payments, or has provided alternative credit support for payments, on financial assets that represent one-third or more of the aggregate amount owing on all of the financial assets servicing the asset-backed security;

‘proxy’ means a completed and executed form of proxy by which a securityholder has appointed a person or company as the securityholder’s nominee to attend and act for the securityholder and on the securityholder’s behalf at a meeting of securityholders;

‘published market’ means, for a class of securities, a marketplace on which the securities have traded that discloses regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means the prices at which those securities have traded;

‘recognized exchange’ means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange; and
- (b) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

‘recognized quotation and trade reporting system’ means:

- (a) in every jurisdiction other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

‘restricted security’ means an equity security of a reporting issuer, if any of the following apply:

- (a) there is another class of securities of the reporting issuer that, to a reasonable person, appears to carry a greater vote per security relative to the equity security;
- (b) the conditions of the class of equity securities, the conditions of another class of securities of the reporting issuer, or the reporting issuer’s constating documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of the equity securities; or
- (c) the reporting issuer has issued a second class of equity securities that, to a reasonable person, appears to entitle the owners of securities of that second class to participate in the earnings or assets of the reporting issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities;

‘restricted security term’ means each of the terms ‘non-voting security’, ‘subordinate voting security’ and ‘restricted voting security’;

‘restricted voting security’ means a restricted security that carries a right to vote subject to a restriction on the number or percentage of securities that may be voted by one or more persons or companies, unless the restriction is:

- (a) permitted or prescribed by statute; and
- (b) is applicable only to persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the reporting issuer to be non-Canadians;

‘reverse takeover’ means a transaction by which an enterprise obtains ownership of the securities of another enterprise but, as part of the transaction, issues enough voting securities as consideration that control of the combined enterprise passes to the securityholders of the acquired enterprise;

‘reverse takeover acquiree’ means the legal parent, as that term is used in the Handbook, in a reverse takeover;

‘reverse takeover acquirer’ means the legal subsidiary, as that term is used in the Handbook, whose securityholders control the combined enterprise as a result of a reverse takeover;

‘SEC issuer’ means a reporting issuer that:

- (a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and
- (b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended;

‘solicit’, in connection with a proxy, includes:

- (a) requesting a proxy whether or not the request is accompanied by or included in a form of proxy;
- (b) requesting a securityholder to execute or not to execute a form of proxy or to revoke a proxy;
- (c) sending a form of proxy or other communication to a securityholder under circumstances that to a reasonable person will likely result in the giving, withholding or revocation of a proxy; or
- (d) sending a form of proxy to a securityholder by management of a reporting issuer;

but does not include:

- (e) sending a form of proxy to a securityholder in response to a unsolicited request made by or on behalf of the securityholder; or
- (f) performing ministerial acts or professional services on behalf of a person or company soliciting a proxy;

‘subordinate voting security’ means a restricted security that carries a right to vote, if there are securities of another class outstanding that carry a greater right to vote on a per security basis;

‘transition year’ means the financial year of a reporting issuer in which the issuer changes its financial year-end;

‘U.S. GAAP’ means generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support and as supplemented by Regulation S-X and Regulation S-B under the 1934 Act;

‘U.S. laws’ means the 1933 Act, the 1934 Act, all enactments made under those Acts and all SEC releases adopting the enactments, as amended;

‘U.S. marketplace’ means an exchange registered as a ‘national securities exchange’ under section 6 of the 1934 Act, or the Nasdaq Stock Market; and

‘venture issuer’ means a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America; where the ‘applicable time’ in respect of:

- (a) Parts 4 and 5 of this Instrument and Form 51-102F1, is the end of the applicable financial period;
- (b) Parts 6 and 9 of this Instrument and Form 51-102F6, is the end of the most recently completed financial year;
- (c) Part 8 of this Instrument and Form 51-102F4, is the date of acquisition; and
- (d) section 11.3 of this Instrument, is the date of the meeting of the securityholders.

“PART 2 APPLICATION

“2.1 Application

This Instrument does not apply to an investment fund.

“PART 3 LANGUAGE OF DOCUMENTS

“3.1 French or English

- (1) A person or company must file a document required to be filed under this Instrument in French or in English.
- (2) Despite subsection (1), if a person or company files a document only in French or only in English but delivers to securityholders a version of the document in the other language, the person or company must file that other version not later than when it is first delivered to securityholders.
- (3) In Québec, a reporting issuer must comply with linguistic obligations and rights prescribed by Québec law.

“PART 4 FINANCIAL STATEMENTS

“4.1 Comparative Annual Financial Statements and Auditor’s Report

- (1) Subject to subsection 4.8(6), a reporting issuer must file annual financial statements that include:
 - (a) an income statement, a statement of retained earnings, and a cash flow statement for:
 - (i) the most recently completed financial year; and
 - (ii) the financial year immediately preceding the most recently completed financial year, if any;
 - (b) a balance sheet as at the end of each of the periods referred to in paragraph (a); and

(c) notes to the financial statements.

(2) Annual financial statements filed under subsection (1) must be accompanied by an auditor's report.

“4.2 Filing Deadline for Annual Financial Statements

The annual financial statements and auditor's report required to be filed under section 4.1 must be filed:

(a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:

(i) the 90th day after the end of its most recently completed financial year; and

(ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year; or

(b) in the case of a venture issuer, on or before the earlier of:

(i) the 120th day after the end of its most recently completed financial year; and

(ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year.

“4.3 Interim Financial Statements

(1) A reporting issuer must file:

(a) if it has not completed its first financial year, interim financial statements for the interim periods of the reporting issuer's current financial year other than a period that is less than three months in length; or

(b) if it has completed its first financial year, interim financial statements for the interim periods of the reporting issuer's current financial year.

(2) Subject to subsections 4.7(4), 4.8(7) and 4.8(8), the interim financial statements required to be filed under subsection (1) must include:

(a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any;

(b) an income statement, a statement of retained earnings and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;

(c) for interim periods other than the first interim period in a reporting issuer's financial year, an income statement and cash flow statement for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the preceding financial year, if any; and

(d) notes to the financial statements.

(3) **Disclosure of Auditor Review of Interim Financial Statements**

- (a) If an auditor has not performed a review of the interim financial statements required to be filed under subsection (1), the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.
- (b) If a reporting issuer engaged an auditor to perform a review of the interim financial statements required to be filed under subsection (1) and the auditor was unable to complete the review, the interim financial statements must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial statements and the reasons why the auditor was unable to complete the review.
- (c) If an auditor has performed a review of the interim financial statements required to be filed under subsection (1) and the auditor has expressed a reservation in the auditor's interim review report, the interim financial statements must be accompanied by a written review report from the auditor.

(4) SEC Issuer - Restatement of Interim Financial Statements

If an SEC issuer:

- (a) has filed interim financial statements prepared in accordance with Canadian GAAP for one or more interim periods since its most recently completed financial year for which financial statements have been filed; and
- (b) prepares its annual or interim financial statements for the period immediately following the periods referred to in paragraph (a) in accordance with U.S. GAAP;

the SEC issuer must:

- (c) restate the interim financial statements for the periods referred to in paragraph (a) in accordance with U.S. GAAP and comply with the reconciliation requirements set out in Part 4 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*; and
- (d) file the restated financial statements referred to in paragraph (c) by the filing deadline for the financial statements referred to in paragraph (b).

“4.4 Filing Deadline for Interim Financial Statements

The interim financial statements required to be filed under subsection 4.3(1) must be filed:

- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:
 - (i) the 45th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, interim financial statements for a period ending on the last day of the interim period; or
- (b) in the case of a venture issuer, on or before the earlier of:
 - (i) the 60th day after the end of the interim period; and

- (ii) the date of filing, in a foreign jurisdiction, interim financial statements for a period ending on the last day of the interim period.

“4.5 Approval of Financial Statements

- (1) The financial statements a reporting issuer is required to file under section 4.1 must be approved by the board of directors before the statements are filed.
- (2) The financial statements a reporting issuer is required to file under section 4.3 must be approved by the board of directors before the statements are filed.
- (3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the financial statements to the audit committee of the board of directors.

“4.6 Delivery of Financial Statements

- (1) Subject to subsection (2), a reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a copy of the reporting issuer's annual financial statements and MD&A for the annual financial statements, the interim financial statements and MD&A for the interim financial statements, or both.
- (2) For the purposes of subsection (1), the reporting issuer must, applying the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, send the request form to the beneficial owners of its securities who are identified under that Instrument as having chosen to receive all securityholder materials sent to beneficial owners of securities.
- (3) If a registered holder or beneficial owner requests the reporting issuer's annual or interim financial statements, the reporting issuer must send a copy of the requested financial statements to the person or company that made the request, without charge, by the later of:
- (a) the filing deadline for the financial statements requested; and
 - (b) 10 calendar days after the issuer receives the request.
- (4) A reporting issuer is not required to send copies of annual or interim financial statements under subsection (3) that were filed more than two years before the issuer receives the request.
- (5) Subsection (1) and the requirement to send annual financial statements under subsection (3) do not apply to a reporting issuer that sends its annual financial statements to all its securityholders, other than holders of debt instruments.
- (6) If a reporting issuer sends financial statements under this section, the reporting issuer must also send, at the same time, the annual or interim MD&A relating to the financial statements.

“4.7 Filing of Financial Statements After Becoming a Reporting Issuer

(1) Despite any provisions of this Part other than subsections (2), (3) and (4) of this section, the first annual and interim financial statements that a reporting issuer must file under sections 4.1 and 4.3 are the financial statements for the financial year and interim periods immediately following the periods for which financial statements were included in a document filed:

- (a) that resulted in the issuer becoming a reporting issuer; or
- (b) in respect of a transaction that resulted in the issuer becoming a reporting issuer.

(2) If, under subsection (1), a reporting issuer is required to file annual financial statements for a financial year that ended before the issuer became a reporting issuer, those financial statements must be filed on or before the later of:

- (a) the 20th day after the issuer became a reporting issuer; and
- (b) the filing deadline in section 4.2.

(3) If, under subsection (1), a reporting issuer is required to file interim financial statements for an interim period that ended before the issuer became a reporting issuer, those financial statements must be filed on or before the later of:

- (a) the 10th day after the issuer became a reporting issuer; and
- (b) the filing deadline in section 4.4.

(4) A reporting issuer is not required to provide comparative interim financial information for periods that ended before the issuer became a reporting issuer if:

- (a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2);
- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial statements disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

“4.8 Change in Year-End

(1) **Exemption from Change in Year-End Requirements** - This section does not apply to an SEC issuer if:

- (a) it complies with the requirements of U.S. laws relating to a change of fiscal year; and
- (b) it files a copy of all materials required by U.S. laws relating to a change of fiscal year at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC and, in the case of financial statements, no later than the filing deadlines prescribed under sections 4.2 and 4.4.

(2) **Notice of Change** - If a reporting issuer decides to change its financial year-end by more than 14

days, it must file a notice containing the information set out in subsection (3) as soon as practicable, and, in any event, not later than the earlier of:

(a) the filing deadline, based on the reporting issuer's old financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first; and

(b) the filing deadline, based on the reporting issuer's new financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first.

(3) The notice referred to in subsection (2) must state:

(a) that the reporting issuer has decided to change its year-end;

(b) the reason for the change;

(c) the reporting issuer's old financial year-end;

(d) the reporting issuer's new financial year-end;

(e) the length and ending date of the periods, including the comparative periods, of the interim and annual financial statements to be filed for the reporting issuer's transition year and its new financial year; and

(f) the filing deadlines, prescribed under sections 4.2 and 4.4, for the interim and annual financial statements for the reporting issuer's transition year.

(4) **Maximum Length of Transition Year** - For the purposes of this section:

(a) a transition year must not exceed 15 months; and

(b) the first interim period after an old financial year must not exceed four months.

(5) **Interim Period Ends Within One Month of Year-End** - Despite paragraph 4.3(1)(b), a reporting issuer is not required to file interim financial statements for any period in its transition year that ends within one month:

(a) after the last day of its old financial year; or

(b) before the first day of its new financial year.

(6) **Comparative Financial Information in Annual Financial Statements for New Financial Year** - If a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its financial statements for its new financial year:

(a) a balance sheet and income statement, a statement of retained earnings and a cash flow statement for its transition year; and

(b) a balance sheet and income statement, a statement of retained earnings and a cash flow statement for its old financial year.

(7) **Comparative Financial Information in Interim Financial Statements if Interim Periods Not**

Changed in Transition Year - If interim periods for the reporting issuer's transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include:

(a) as comparative financial information in its interim financial statements during its transition year, the comparative financial information required by subsection 4.3(2), except if an interim period during the transition year is 12 months in length and the reporting issuer's transition year is longer than 13 months, the comparative financial information must be the balance sheet and income statement, statement of retained earnings and cash flow statement for the 12 month period that constitutes its old financial year; and

(b) as comparative financial information in its interim financial statements during its new financial year:

(i) a balance sheet as at the end of its transition year; and

(ii) the income statement, statement of retained earnings and cash flow statement for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year.

(8) Comparative Financial Information in Interim Financial Statements if Interim Periods

Changed in Transition Year - If interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include:

(a) as comparative financial information in its interim financial statements during its transition year:

(i) a balance sheet as at the end of its old financial year; and

(ii) the income statement, statement of retained earnings and cash flow statement for periods in its old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year; and

(b) as comparative financial information in its interim financial statements during its new financial year:

(i) a balance sheet as at the end of its transition year; and

(ii) the income statement, statement of retained earnings and cash flow statement in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year.

“4.9 Change in Corporate Structure

If a reporting issuer is party to an amalgamation, arrangement, merger, winding-up, reverse takeover, reorganization or other transaction that will result in:

(a) the reporting issuer ceasing to be a reporting issuer;

(b) another entity becoming a reporting issuer;

(c) a change in the reporting issuer's financial year end; or

(d) a change in the name of the reporting issuer;

the issuer must, as soon as practicable, and in any event not later than the deadline for the first filing required under this Instrument following the transaction, file a notice stating:

(e) the names of the parties to the transaction;

(f) a description of the transaction;

(g) the effective date of the transaction;

(h) the names of each party, if any, that ceased to be a reporting issuer subsequent to the transaction and of each continuing entity;

(i) the date of the reporting issuer's first financial year-end subsequent to the transaction; and

(j) the periods, including the comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer's first financial year subsequent to the transaction.

“4.10 Reverse Takeovers

(1) **Change in Year End** - If a reporting issuer must comply with section 4.9 because it was a party to a reverse takeover, the reporting issuer must comply with section 4.8 unless:

(a) the reporting issuer had the same year-end as the reverse takeover acquirer before the transaction; or

(b) the reporting issuer changes its year-end to be the same as that of the reverse takeover acquirer.

(2) **Financial Statements of the Reverse Takeover Acquirer for Periods Ending Before a Reverse Takeover** - If a reporting issuer completes a reverse takeover, it must:

(a) file financial statements for the reverse takeover acquirer for all annual and interim periods ending:

(i) after the date of the financial statements included in an information circular filed in connection with the transaction; and

(ii) before the date of the reverse takeover;

unless the financial statements have already been filed;

- (b) file the annual financial statements required by paragraph (a) on or before the later of:
 - (i) the 20th day after the date of the reverse takeover;
 - (ii) the 90th date after the end of the financial year; and
 - (iii) the 120th day after the end of the financial year if the reporting issuer is a venture issuer; and
- (c) file the interim financial statements required by paragraph (a) on or before the later of:
 - (i) the 10th day after the date of the reverse takeover;
 - (ii) the 45th day after the end of the interim period; and
 - (iii) the 60th day after the end of the interim period if the reporting issuer is a venture issuer.

“4.11 Change of Auditor

(1) **Definitions** - In this section:

‘appointment’ means, in relation to a reporting issuer, the earlier of:

- (a) the appointment as its auditor of a different person or company than its former auditor; and
- (b) the decision by the board of directors of the reporting issuer to propose to holders of qualified securities to appoint as its auditor a different person or company than its former auditor;

‘consultation’ means advice provided by a successor auditor, whether or not in writing, to a reporting issuer during the relevant period, which the successor auditor concluded was an important factor considered by the reporting issuer in reaching a decision concerning:

- (a) the application of accounting principles or policies to a transaction, whether or not the transaction is completed;
- (b) a report provided by an auditor on the reporting issuer’s financial statements;
- (c) scope or procedure of an audit or review engagement; or
- (d) financial statement disclosure;

‘disagreement’ means a difference of opinion between personnel of a reporting issuer responsible for finalizing the reporting issuer’s financial statements and the personnel of a former auditor responsible for authorizing the issuance of audit reports on the reporting issuer’s financial statements or authorizing the communication of the results of the auditor’s review of the reporting issuer’s interim financial statements, if the difference of opinion:

- (a) resulted in a reservation in the former auditor's audit report on the reporting issuer's financial statements for any period during the relevant period;
- (b) would have resulted in a reservation in the former auditor's audit report on the reporting issuer's financial statements for any period during the relevant period if the difference of opinion had not been resolved to the former auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the former auditor upon the receipt of further information;
- (c) resulted in a qualified or adverse communication or denial of assurance in respect of the former auditor's review of the reporting issuer's interim financial statements for any interim period during the relevant period; or
- (d) would have resulted in a qualified or adverse communication or denial of assurance in respect of the former auditor's review of the reporting issuer's interim financial statements for any interim period during the relevant period if the difference of opinion had not been resolved to the former auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the former auditor upon the receipt of further information;

'former auditor' means the auditor of a reporting issuer that is the subject of the most recent termination or resignation;

'qualified securities' means securities of a reporting issuer that carry the right to participate in voting on the appointment or removal of the reporting issuer's auditor;

'relevant information circular' means:

- (a) if a reporting issuer's constating documents or applicable law require holders of qualified securities to take action to remove the reporting issuer's auditor or to appoint a successor auditor:
 - (i) the information circular required to accompany or form part of every notice of meeting at which that action is proposed to be taken; or
 - (ii) the disclosure document accompanying the text of the written resolution provided to holders of qualified securities; or
- (b) if paragraph (a) does not apply, the information circular required to accompany or form part of the first notice of meeting to be sent to holders of qualified securities following the preparation of a reporting package concerning a termination or resignation;

'relevant period' means the period commencing at the beginning of the reporting issuer's two most recently completed financial years and ending on the date of termination or resignation;

'reportable event' means a disagreement, a consultation, or an unresolved issue;

'reporting package' means:

- (a) the documents referred to in subparagraphs (5)(a)(i) and (6)(a)(i);
- (b) the letter referred to in clause (5)(a)(ii)(B), if received by the reporting issuer, unless an

updated letter referred to in clause (6)(a)(iii)(B) has been received by the reporting issuer;

(c) the letter referred to in clause (6)(a)(ii)(B), if received by the reporting issuer; and

(d) any updated letter referred to in clause (6)(a)(iii)(B) received by the reporting issuer;

‘resignation’ means notification from an auditor to a reporting issuer of the auditor’s decision to resign or decline to stand for reappointment;

‘successor auditor’ means the person or company:

(a) appointed;

(b) that the board of directors have proposed to holders of qualified securities be appointed; or

(c) that the board of directors have decided to propose to holders of qualified securities be appointed;

as the reporting issuer’s auditor after the termination or resignation of the reporting issuer’s former auditor;

‘termination’ means, in relation to a reporting issuer, the earlier of:

(a) the removal of its auditor before the expiry of the auditor’s term of appointment, the expiry of its auditor’s term of appointment without reappointment, or the appointment of a different person or company as its auditor upon expiry of its auditor’s term of appointment; and

(b) the decision by the board of directors of the reporting issuer to propose to holders of its qualified securities that its auditor be removed before, or that a different person or company be appointed as its auditor upon, the expiry of its auditor’s term of appointment;

‘unresolved issue’ means any matter that, in the former auditor’s opinion, has, or could have, a material impact on the financial statements, or reports provided by the auditor relating to the financial statements, for any financial period during the relevant period, and about which the former auditor has advised the reporting issuer if:

(a) the former auditor was unable to reach a conclusion as to the matter’s implications before the date of termination or resignation;

(b) the matter was not resolved to the former auditor’s satisfaction before the date of termination or resignation; or

(c) the former auditor is no longer willing to be associated with any of the financial statements.

(2) **Meaning of ‘Material’** - For the purposes of this section, the term 'material' has a meaning consistent with the discussion of the term 'materiality' in the Handbook.

(3) **Exemption from Change of Auditor Requirements** - This section does not apply if:

(a) (i) a termination, or resignation, and appointment occur in connection with an amalgamation, arrangement, takeover or similar transaction involving the reporting issuer or

a reorganization of the reporting issuer;

(ii) the termination, or resignation, and appointment have been disclosed in a news release that has been filed or in a disclosure document that has been delivered to holders of qualified securities and filed; and

(iii) no reportable event has occurred;

(b) the change of auditor is required by the legislation under which the reporting issuer exists or carries on its activities; or

(c) the change of auditor arises from an amalgamation, merger or other reorganization of the auditor.

(4) Exemption From Change of Auditor Requirements - SEC Issuers - This section does not apply to an SEC issuer if it:

(a) complies with the requirements of U.S. laws relating to a change of auditor;

(b) files a copy of all materials required by U.S. laws relating to a change of auditor at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC;

(c) issues and files a news release describing the information disclosed in the materials referred to in paragraph (b), if there are any reportable events; and

(d) includes the materials referred to in paragraph (b) with each relevant information circular.

(5) Requirements Upon Auditor Termination or Resignation - Upon a termination or resignation of its auditor, a reporting issuer must:

(a) within 10 days after the date of termination or resignation:

(i) prepare a change of auditor notice in accordance with subsection (7) and deliver a copy of it to the former auditor; and

(ii) request the former auditor to:

(A) review the reporting issuer's change of auditor notice;

(B) prepare a letter, addressed to the applicable regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor:

(I) agrees;

(II) disagrees, and the reasons why; or

(III) has no basis to agree or disagree; and

(C) deliver the letter to the reporting issuer within 20 days after the date of termination or resignation;

- (b) within 30 days after the date of termination or resignation:
 - (i) have the audit committee of its board of directors or its board of directors review the letter referred to in clause (5)(a)(ii)(B) if received by the reporting issuer, and approve the change of auditor notice;
 - (ii) file a copy of the reporting package with the regulator or securities regulatory authority;
 - (iii) deliver a copy of the reporting package to the former auditor;
 - (iv) if there are any reportable events, issue and file a news release describing the information in the reporting package; and
- (c) include with each relevant information circular:
 - (i) a copy of the reporting package as an appendix; and
 - (ii) a summary of the contents of the reporting package with a cross-reference to the appendix.

(6) **Requirements upon Auditor Appointment** - Upon an appointment of a successor auditor, a reporting issuer must:

- (a) within 10 days after the date of appointment:
 - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver it to the successor auditor and to the former auditor;
 - (ii) request the successor auditor to:
 - (A) review the reporting issuer's change of auditor notice;
 - (B) prepare a letter addressed to the applicable regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor:
 - (I) agrees;
 - (II) disagrees, and the reasons why; or
 - (III) has no basis to agree or disagree; and
 - (C) deliver that letter to the reporting issuer within 20 days after the date of appointment; and
 - (iii) request the former auditor to, within 20 days after the date of appointment:
 - (A) confirm that the letter referred to in clause (5)(a)(ii)(B) does not have to be updated; or

(B) prepare and deliver to the reporting issuer an updated letter to replace the letter referred to in clause (5)(a)(ii)(B);

(b) within 30 days after the date of appointment:

(i) have the audit committee of its board of directors or its board of directors review the letters referred to in clauses (6)(a)(ii)(B) and (6)(a)(iii)(B) if received by the reporting issuer, and approve the change of auditor notice;

(ii) file a copy of the reporting package with the regulator or securities regulatory authority;

(iii) deliver a copy of the reporting package to the successor auditor and to the former auditor; and

(iv) if there are any reportable events, issue and file a news release disclosing the appointment of the successor auditor and either describing the information in the reporting package or referring to the news release required under subparagraph (5)(b)(iv).

(7) Change of Auditor Notice Content - A change of auditor notice must state:

(a) the date of termination or resignation;

(b) whether the former auditor:

(i) resigned on the former auditor's own initiative or at the reporting issuer's request;

(ii) was removed or is proposed to holders of qualified securities to be removed during the former auditor's term of appointment; or

(iii) was not reappointed or has not been proposed for reappointment;

(c) whether the termination or resignation of the former auditor and any appointment of the successor auditor were considered or approved by the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors;

(d) whether the former auditor's report on any of the reporting issuer's financial statements relating to the relevant period contained any reservation and, if so, a description of each reservation;

(e) if there is a reportable event, the following information:

(i) for a disagreement:

(A) a description of the disagreement;

(B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the disagreement with the former auditor; and

(C) whether the reporting issuer authorized the former auditor to respond fully to

inquiries by any successor auditor concerning the disagreement and, if not, a description of and reasons for any limitation;

(ii) for a consultation:

(A) a description of the issue that was the subject of the consultation;

(B) a summary of the successor auditor's oral advice, if any, provided to the reporting issuer concerning the issue;

(C) a copy of the successor auditor's written advice, if any, received by the reporting issuer concerning the issue; and

(D) whether the reporting issuer consulted with the former auditor concerning the issue and, if so, a summary of the former auditor's advice concerning the issue; and

(iii) for an unresolved issue:

(A) a description of the issue;

(B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the issue with the former auditor; and

(C) whether the reporting issuer authorized the former auditor to respond fully to inquiries by any successor auditor concerning the issue and, if not, a description of and reasons for any limitation; and

(f) if there are no reportable events, a statement to that effect.

(8) Auditor's Obligations to Report Non-Compliance - Except in British Columbia, Alberta and Manitoba, if the successor auditor becomes aware that the change of auditor notice required by this section has not been prepared and filed by the reporting issuer, the auditor must, within 7 days, advise the reporting issuer in writing and deliver a copy of the letter to the applicable regulator or securities regulatory authority.

"PART 5 MANAGEMENT'S DISCUSSION & ANALYSIS

"5.1 Filing of MD&A

(1) A reporting issuer must file MD&A relating to its annual and interim financial statements required under Part 4.

(2) Subject to section 5.2, the MD&A required to be filed under subsection (1) must be filed by the earlier of:

- (a) the filing deadlines for the annual and interim financial statements set out in sections 4.2, 4.4 and 4.7, as applicable; and
- (b) the date the reporting issuer files the financial statements under subsections 4.1(1), 4.3(1) or 4.7(1), as applicable.

“5.2 Filing of MD&A and Supplement for SEC Issuers

(1) If an SEC issuer is filing its annual or interim MD&A prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act, then the SEC issuer must file:

- (a) that document on or before the earlier of:
 - (i) the date the SEC issuer would be required to file that document under section 5.1; and
 - (ii) the date the SEC issuer files that document with the SEC; and
- (b) at the same time, a supplement prepared in accordance with subsection (2) if the SEC issuer:
 - (i) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP; and
 - (ii) is required by subsection 4.1(1) of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* to provide a reconciliation to Canadian GAAP.

(2) A supplement required under subsection (1) must restate, based on financial information of the reporting issuer prepared in accordance with or reconciled to Canadian GAAP, those parts of the MD&A that:

- (a) are based on financial statements of the reporting issuer prepared in accordance with U.S. GAAP; and
- (b) would contain material differences if they were based on financial statements of the reporting issuer prepared in accordance with Canadian GAAP.

“5.3 Additional Disclosure for Venture Issuers Without Significant Revenue

(1) A venture issuer that has not had significant revenue from operations in either of its last two financial years, must disclose in its MD&A or in its MD&A supplement if one is required under section 5.2, for each period referred to in subsection (2), a breakdown of material components of:

- (a) capitalized or expensed exploration and development costs;
- (b) expensed research and development costs;
- (c) deferred development costs;

- (d) general and administration expenses; and
- (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d);

and if the venture issuer's business primarily involves mining exploration and development, the analysis of capitalized or expensed exploration and development costs must be presented on a property-by-property basis.

(2) The disclosure in subsection (1) must be provided for the following periods:

- (a) in the case of annual MD&A, for the two most recently completed financial years; and
- (b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative period presented in the interim financial statements.

(3) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements to which the MD&A or MD&A supplement relates.

“5.4 Disclosure of Outstanding Share Data

(1) A reporting issuer must disclose in its MD&A, or in its MD&A supplement if one is required under section 5.2, the designation and number or principal amount of:

- (a) each class and series of voting or equity securities of the reporting issuer for which there are securities outstanding;
- (b) each class and series of securities of the reporting issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the reporting issuer; and
- (c) subject to subsection (2), each class and series of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer.

(2) If the exact number or principal amount of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer is not determinable, the reporting issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer and, if that maximum number or principal amount is not determinable, the reporting issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.

(3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

“5.5 Approval of MD&A

- (1) The annual MD&A and any annual MD&A supplement that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.
- (2) The interim MD&A and any interim MD&A supplement that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.
- (3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim MD&A and any MD&A supplement required to be filed under this Part to the audit committee of the board of directors.

“5.6 Delivery of MD&A

- (1) If a registered holder or beneficial owner requests the reporting issuer’s annual or interim MD&A, the reporting issuer must send a copy of the requested MD&A and any MD&A supplement required under section 5.2 to the person or company that made the request, without charge, by the later of:
 - (a) the filing deadline for the MD&A requested; and
 - (b) 10 calendar days after the issuer receives the request.
- (2) A reporting issuer is not required to send copies of any MD&A or MD&A supplement under subsection (1) that was filed more than two years before the issuer receives the request.
- (3) The requirement to send annual MD&A and any related MD&A supplement under subsection (1) does not apply to a reporting issuer that sends its annual MD&A and any related MD&A supplement to all its securityholders, other than holders of debt instruments.
- (4) If a reporting issuer sends MD&A under this section, the reporting issuer must also send, at the same time, the annual or interim financial statements to which the MD&A relates.

“PART 6 ANNUAL INFORMATION FORM**“6.1 Requirement to File an AIF**

A reporting issuer that is not a venture issuer must file an AIF.

“6.2 Filing Deadline for an AIF

An AIF required to be filed under section 6.1 must be filed:

- (a) subject to paragraph (b), on or before the 90th day after the end of the reporting issuer’s most recently completed financial year; or
- (b) in the case of a reporting issuer that is an SEC issuer filing its AIF in Form 10-K, Form 10-KSB or Form 20-F, on or before the earlier of:

(i) the 90th day after the end of the reporting issuer's most recently completed financial year; and

(ii) the date the reporting issuer files its Form 10-K, Form 10-KSB or Form 20-F with the SEC.

“6.3 Incorporated Documents to be Filed

A reporting issuer that files an AIF must at the same time file copies of all material incorporated by reference in the AIF and not previously filed.

“PART 7 MATERIAL CHANGE REPORTS

“7.1 Publication of Material Change

(1) Subject to subsection (2), if a material change occurs in the affairs of a reporting issuer, the reporting issuer must:

(a) immediately issue and file a news release authorized by a senior officer disclosing the nature and substance of the change; and

(b) as soon as practicable, and in any event within 10 days of the date on which the change occurs, file a Form 51-102F3 Material Change Report with respect to the material change.

(2) Subsection (1) does not apply if:

(a) in the opinion of the reporting issuer, and if that opinion is arrived at in a reasonable manner, the disclosure required by subsection (1) would be unduly detrimental to the interests of the reporting issuer; or

(b) the material change consists of a decision to implement a change made by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors is probable, and senior management of the reporting issuer has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the reporting issuer;

and the reporting issuer immediately files the report required under paragraph (1)(b) marked so as to indicate that it is confidential, together with written reasons for non-disclosure.

(3) In Québec, subsection (1) does not apply to a reporting issuer in Québec if:

(a) senior management of the reporting issuer has reasonable grounds to believe that disclosure required by subsection (1) would be seriously prejudicial to the interests of the reporting issuer and that no trade in the securities of the reporting issuer has been or will be carried out on the basis of the information not generally known; and

(b) the reporting issuer immediately files the report required under paragraph (1)(b) marked so as to indicate that it is confidential, together with written reasons for non-disclosure.

- (4) If a reporting issuer relies on subsection (3), the reporting issuer must comply with subsection (1) when the circumstances that justify non-disclosure have ceased to exist.
- (5) If a report has been filed under subsection (2) or (3), the reporting issuer must advise the regulator or securities regulatory authority in writing if it believes the report should continue to remain confidential, within 10 days of the date of filing of the initial report and every 10 days thereafter until the material change is generally disclosed in the manner referred to in paragraph (1)(a), or, if the material change consists of a decision of the type referred to in paragraph (2)(b), until that decision has been rejected by the board of directors of the reporting issuer.
- (6) Despite subsection (5), in Ontario, the reporting issuer must advise the securities regulatory authority.
- (7) If a report has been filed under subsection (2) or (3), the reporting issuer must promptly generally disclose the material change in the manner referred to in paragraph (1)(a) upon the reporting issuer becoming aware, or having reasonable grounds to believe, that persons or companies are purchasing or selling securities of the reporting issuer with knowledge of the material change that has not been generally disclosed.

“PART 8 BUSINESS ACQUISITION REPORT

“8.1 Interpretation and Application

- (1) In this Part:

‘acquisition’ includes an acquisition of an interest in a business that is consolidated for accounting purposes or accounted for by another method, such as the equity method;

‘acquisition of related businesses’ means the acquisition of two or more businesses if:

- (a) the businesses were under common control or management before the acquisitions were completed;
- (b) each acquisition was conditional upon the completion of each other acquisition; or
- (c) the acquisitions were contingent upon a single common event; and

‘business’ includes an interest in an oil and gas property.

- (2) This Part does not apply to an acquisition made by a reporting issuer if the reporting issuer files its own information circular or that of another person or company, or a filing statement prepared in accordance with the policies and requirements of the TSX Venture Exchange, and:

- (a) the information circular or filing statement either:
 - (i) contains the information and financial statements that would be required by section 14.2 of Form 51-102F5 concerning the acquisition of the business or related businesses; or
 - (ii) is an information circular or filing statement prepared in connection with a Qualifying Transaction for an issuer that is a capital pool company under the TSX Venture Exchange’s policy on Capital Pool Companies, and the reporting issuer complies with the

policies and requirements of the TSX Venture Exchange in respect of the Qualifying Transaction;

(b) the date of the acquisition is within nine months of the date of the information circular or filing statement; and

(c) between the date of the information circular or filing statement and the date of acquisition there has been no material change in the terms of the significant acquisition from those disclosed in the information circular or filing statement.

“8.2 Obligation to File a Business Acquisition Report

If a reporting issuer completes a significant acquisition, as determined under section 8.3, it must file a business acquisition report within 75 days after the date of acquisition.

“8.3 Determination of Significance

(1) **Significant Acquisitions** - Subject to subsection (3), an acquisition of a business or related businesses is a significant acquisition:

(a) for a reporting issuer that is not a venture issuer, if the acquisition satisfies any of the three significance tests set out in subsection (2); and

(b) for a venture issuer, if the acquisition satisfies either of the significance tests set out in paragraphs (2)(a) or (b) if ‘20 percent’ is read as ‘40 percent’.

(2) **Required Significance Tests** - For the purposes of subsection (1), the significance tests are:

(a) **The Asset Test** - The reporting issuer’s proportionate share of the consolidated assets of the business or related businesses exceeds 20 percent of the consolidated assets of the reporting issuer calculated using the audited financial statements of each of the reporting issuer and the business or the related businesses for the most recently completed financial year of each that ended before the date of the acquisition.

(b) **The Investment Test** - The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the date of the acquisition exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed financial year of the reporting issuer ended before the date of the acquisition, excluding any investments in or advances to the business or related businesses as at that date.

(c) **The Income Test** - The reporting issuer’s proportionate share of the consolidated income from continuing operations of the business or related businesses exceeds 20 percent of the consolidated income from continuing operations of the reporting issuer calculated using the audited financial statements of each of the reporting issuer and the business or related businesses for the most recently completed financial year of each ended before the date of acquisition.

(3) **Optional Significance Tests** - Despite subsection (1), if an acquisition of a business or related businesses is significant based on the significance tests in subsection (2):

(a) a reporting issuer that is not a venture issuer may re-calculate the significance using the optional significance tests in subsection (4); and

(b) a venture issuer may re-calculate the significance using the optional significance tests in paragraphs (4)(a) or (b) if '20 percent' is read as '40 percent'.

(4) For the purposes of subsection (3), the optional significance tests are:

(a) **The Asset Test** - The reporting issuer's proportionate share of the consolidated assets of the business or related businesses, as at the last day of the reporting issuer's most recently completed interim period, exceeds 20 percent of the consolidated assets of the reporting issuer, as at the last day of the reporting issuer's most recently completed interim period, without giving effect to the acquisition.

(b) **The Investment Test** - The reporting issuer's consolidated investments in and advances to the business or related businesses as at the date of the acquisition exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed interim period of the reporting issuer ended before the date of the acquisition, excluding any investments in or advances to the business or related businesses as at that date.

(c) **The Income Test** - The income from continuing operations calculated under the following item 1. exceeds 20 percent of the income from continuing operations calculated under the following item 2:

1. The reporting issuer's proportionate share of the consolidated income from continuing operations of the business or related businesses for the later of:

(A) the most recently completed financial year of the business or related businesses; or

(B) the 12 months ended on the last day of the most recently completed interim period of the business or related businesses.

2. The reporting issuer's consolidated income from continuing operations for the later of:

(A) the most recently completed financial year, without giving effect to the acquisition; or

(B) the 12 months ended on the last day of the most recently completed interim period of the reporting issuer, without giving effect to the acquisition.

(5) If a reporting issuer re-calculates the significance of an acquisition of a business or of related businesses under subsection (4) and none of the significance tests in that subsection is met, the acquisition is not a significant acquisition for purposes of this Instrument.

(6) Despite subsection (3), the significance of an acquisition of a business or related businesses may be re-calculated using financial statements for periods that ended after the date of acquisition only if, after the date of acquisition, the business or related businesses remained substantially intact and were not significantly reorganized, and no significant assets or liabilities were transferred to other entities.

(7) **Application of the Income Test if a Loss Occurred** - For the purposes of paragraphs (2)(c) and (4)(c), if any of the reporting issuer, the business or the related businesses has incurred a loss, the significance test must be applied using the absolute value of the loss.

(8) **Application of the Income Test if Lower Than Average Income for the Most Recent Year** - For the purposes of paragraph (2)(c) and clause (4)(c)2.(A), if the reporting issuer's consolidated income from continuing operations for the most recently completed financial year was:

- (a) positive; and
- (b) lower by 20 percent or more than the average consolidated income from continuing operations of the reporting issuer for the three most recently completed financial years;

then the average consolidated income from continuing operations for the three most recently completed financial years may, subject to subsection (10), be substituted in determining whether the significance test set out in paragraph (2)(c) or (4)(c) is satisfied.

(9) **Application of the Optional Income Test if Lower Than Average Income for the Most Recent Year** - For the purpose of clause (4)(c)2.(B) if the reporting issuer's consolidated income from continuing operations for the most recently completed 12-month period was:

- (a) positive; and
- (b) lower by 20 percent or more than the average consolidated income from continuing operations of the reporting issuer for the three most recently completed 12-month periods;

then the average consolidated income for the three most recently completed 12-month periods may, subject to subsection (10), be substituted in determining whether the significance test set out in paragraph (4)(c) is satisfied.

(10) **Lower than Average Income of the Issuer if a Loss Occurred** - If the reporting issuer's consolidated income from continuing operations for either of the two earlier financial periods referred to in subsections (8) and (9) is a loss, the reporting issuer's income from continuing operations for that period is considered to be zero for the purposes of calculating the average consolidated income for the three financial periods.

(11) **Application of Significance Tests - Step-By-Step Acquisitions** - If a reporting issuer has made a 'step-by-step' purchase as described in the Handbook, then for the purposes of applying subsections (2) and (4):

- (a) if the initial investment and one or more incremental investments were made during the same financial year, the investments must be aggregated and tested on a combined basis;

(b) if one or more incremental investments were made in a financial year subsequent to the financial year in which an initial or incremental investment was made and the initial or previous incremental investments are reflected in audited annual financial statements of the reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) on a combined basis to the incremental investments not reflected in audited financial statements of the reporting issuer previously filed; and

(c) if one or more incremental investments were made in a financial year subsequent to the financial year in which the initial investment was made and the initial investment is not reflected in audited annual financial statements of the issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) to the initial and incremental investments on a combined basis.

(12) **Application of Significance Tests - Related Businesses** - In determining whether an acquisition of related businesses is a significant acquisition, related businesses acquired after the ending date of the most recently filed annual audited financial statements of the reporting issuer must be considered on a combined basis.

(13) **Application of Significance Tests - Accounting Principles and Currency** - For the purposes of the significance tests in subsections (2) and (4), financial statements of the business or related businesses must be reconciled to the accounting principles used to prepare the reporting issuer's financial statements and translated into the same reporting currency as that used in the reporting issuer's financial statements.

(14) **Application of Significance Tests - Use of Unaudited Financial Statements** - Despite subsections (2) and (4), the significance of an acquisition of a business or related businesses may be calculated using unaudited financial statements of the business or related businesses that comply with subsection 6.1(1) of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* if the financial statements of the business or related businesses for the most recently completed financial year have not been audited.

“8.4 Financial Statement Disclosure for Significant Acquisitions

(1) **Annual Financial Statements** - If an acquisition of a business or related businesses is a significant acquisition under subsection 8.3(1) or 8.3(3), subject to sections 8.6 through 8.11, a business acquisition report must include the following financial statements of each business or related businesses:

(a) an income statement, a statement of retained earnings and a cash flow statement for the periods specified in section 8.5;

(b) a balance sheet as at the date on which each of the periods specified in section 8.5 ended;

(c) notes to the financial statements; and

(d) an auditor's report on the financial statements for each of the periods specified in section 8.5.

(2) **Interim Financial Statements** - Subject to sections 8.6 through 8.11, if a reporting issuer must include financial statements in a business acquisition report under subsection (1), the business acquisition report must include interim financial statements for:

(a) either:

(i) the most recently completed interim period of the business that started the day after the balance sheet date specified in paragraph (1)(b) and ended before the date of acquisition; or

(ii) the period that started the day after the balance sheet date specified in paragraph (1)(b) and ended on a day that is more recent than the ending date of the period in subparagraph (i) and is not later than the date of acquisition; and

(b) the comparable period in the preceding financial year of the business.

(3) **Pro Forma Financial Statements Required in a Business Acquisition Report** - If a reporting issuer is required to include financial statements in a business acquisition report under subsection (1) or (2), the business acquisition report must include:

(a) a pro forma balance sheet of the reporting issuer as at the date of the reporting issuer's most recent balance sheet filed that gives effect, as if they had taken place as at the date of the pro forma balance sheet, to significant acquisitions that have been completed, but are not reflected in the reporting issuer's most recent annual or interim balance sheet;

(b) a pro forma income statement of the reporting issuer that gives effect to significant acquisitions completed after the ending date of the reporting issuer's most recently completed financial year for which financial statements are required to have been filed, as if they had taken place at the beginning of that financial year, for each of the following financial periods:

(i) the reporting issuer's most recently completed financial year for which financial statements are required to have been filed; and

(ii) the reporting issuer's most recently completed interim period that ended after the period in subparagraph (i) for which financial statements are required to have been filed;

(c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b); and

(d) a compilation report accompanying the pro forma financial statements required under paragraphs (a) and (b) signed by the reporting issuer's auditor and prepared in accordance with the Handbook.

(4) **Preparation of Pro Forma Financial Statements** - If a reporting issuer is required to include pro forma financial statements in a business acquisition report under subsection (3):

(a) the reporting issuer must identify in the pro forma financial statements each significant acquisition, if the pro forma financial statements give effect to more than one significant acquisition;

(b) the reporting issuer must include in the pro forma financial statements a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-

referenced to each related pro forma adjustment;

(c) if the financial year-end of the business differs from the reporting issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement for the reporting issuer's most recently completed financial year, the reporting issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the reporting issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;

(d) if a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the business acquisition report;

(e) if a reporting issuer is required to prepare a pro forma income statement for an interim period required by subparagraph (3)(b)(ii), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the reporting issuer must disclose in a note to the pro forma financial statements the revenue, expenses, gross profit and income from continuing operations included in each pro forma income statement for the overlapping period; and

(f) an audit report is not required for a constructed period referred to in paragraph (c).

(5) **Financial Statements of Related Businesses** - If a reporting issuer is required under subsection (1) to include financial statements for more than one business because the significant acquisition involves an acquisition of related businesses, the financial statements required under subsection (1) must be presented separately for each business, except for the periods during which the businesses have been under common control or management, in which case the reporting issuer may present the financial statements of the businesses on a combined basis.

“8.5 Reporting Periods

(1) **Reporting Issuers that are not Venture Issuers** - The periods for which the financial statements are required under subsection 8.4(1) for a reporting issuer that is not a venture issuer as at the date of acquisition must be determined by reference to the significance tests set out in subsections 8.3(2) and 8.3(4) as follows:

1. **Acquisitions significant between 20 percent and 40 percent** - If none of the significance tests is satisfied if '20 percent' is read as '40 percent', financial statements must be included for:

(A) the most recently completed financial year of the business ended more than 45 days before the date of acquisition; or

(B) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, the financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.

2. **Acquisitions significant over 40 percent** - If any of the significance tests are satisfied if '20 percent' is read as '40 percent', financial statements must be included for:

(A) each of the two most recently completed financial years of the business ended more than 45 days before the date of acquisition;

(B) if the business has not completed two financial years, any completed financial year ended more than 45 days before the date of acquisition; or

(C) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, a financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.

(2) **Venture Issuers** - The period for which the financial statements are required under subsection 8.4(1) for a reporting issuer that is a venture issuer as at the date of acquisition is:

(a) the most recently completed financial year of the business ended more than 45 days before the date of acquisition; or

(b) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, the financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.

“8.6 Exemption for Significant Acquisitions Accounted for Using the Equity Method

A reporting issuer is exempt from the requirements in section 8.4 if:

(a) the acquisition is, or will be, an investment accounted for using the equity method;

(b) the business acquisition report includes disclosure for the periods for which financial statements are otherwise required under subsection 8.4(1) that:

(i) summarizes information as to the assets, liabilities and results of operations of the business; and

(ii) describes the reporting issuer's proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the reporting issuer's share of earnings;

(c) the financial information provided under paragraph (b) for any completed financial year:

(i) has been derived from audited financial statements of the business; or

(ii) has been audited; and

(d) the business acquisition report:

- (i) identifies the financial statements referred to in subparagraph (c)(i) from which the disclosure provided under paragraph (b) has been derived; or
- (ii) discloses that the financial information provided under paragraph (b), if not derived from audited financial statements, has been audited; and
- (iii) discloses that the audit opinion with respect to the financial statements referred to in subparagraph (i), or the financial information referred to in subparagraph (ii), was issued without a reservation.

“8.7 Exemptions for Significant Acquisitions if More Recent Statements Included

(1) If under item 8.5(1)2. a reporting issuer is required to provide financial statements of a business for two completed financial years, the reporting issuer may omit the financial statements for the oldest financial year, if:

- (a) audited financial statements of the business are included for a financial year ended 45 days or less before the date of acquisition; or
- (b)
 - (i) audited financial statements are included in the business acquisition report for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under item 8.5(1)2.;
 - (ii) the business is not seasonal; and
 - (iii) the reporting issuer has not included audited financial statements in the business acquisition report for a period of less than 12 months using the exemption set out in section 8.8.

(2) A reporting issuer is exempt from the requirement in subsection 8.4(2) to provide interim financial statements if the reporting issuer includes annual audited or unaudited financial statements of the business for a financial year ended 45 days or less before the date of acquisition.

“8.8 Exemption for Significant Acquisitions if Financial Year End Changed

If under section 8.5 a reporting issuer is required to provide financial statements for two completed financial years for a business acquired and the business changed its financial year end during either of the financial years required to be included, the reporting issuer may include financial statements for the transition year in satisfaction of the financial statements for one of the years, provided that the transition year is at least nine months.

“8.9 Exemption from Comparatives if Financial Statements Not Previously Prepared

A reporting issuer is not required to provide comparative information for interim financial statements required under subsection 8.4(2) for a business acquired if:

- (a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with the most recently completed interim period of the acquired business;
- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial statements disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

“8.10 Exemption for Acquisition of an Interest in an Oil and Gas Property

A reporting issuer is exempt from the requirements in section 8.4 if:

- (a) the significant acquisition is:
 - (i) an acquisition of a business that is an interest in an oil and gas property; or
 - (ii) an acquisition of related businesses that are interests in oil and gas properties;
- (b) the reporting issuer is unable to provide the financial statements in respect of the significant acquisition otherwise required under this Part because those financial statements do not exist or because the reporting issuer does not have access to those financial statements;
- (c) the acquisition does not constitute a reverse takeover;
- (d) the business or related businesses did not, immediately before the time of completion of the acquisition, constitute a 'reportable segment' of the vendor, as defined in the Handbook;
- (e) in respect of the business or related businesses, for each of the financial years for which financial statements would, but for this section, be required under section 8.4, the business acquisition report includes:
 - (i) an operating statement, accompanied by a report of an auditor, presenting for the business or related businesses at least the following:
 - (A) gross revenue;
 - (B) royalty expenses;
 - (C) production costs; and
 - (D) operating income;
 - (ii) a description of the property or properties and the interest acquired by the reporting issuer; and
 - (iii) disclosure of the annual oil and gas production volumes from the business or related businesses; and
- (f) the business acquisition report discloses:
 - (i) the estimated reserves and related future net revenue attributable to the business or

related businesses, the material assumptions used in preparing the estimates and the identity and relationship to the reporting issuer or to the vendor of the person who prepared the estimates; and

(ii) the estimated oil and gas production volumes from the business or related businesses for the first year reflected in the estimates disclosed under subparagraph (f)(i).

“8.11 Exemption for Step-By-Step Acquisitions

Despite section 8.4, a reporting issuer is exempt from the requirements to file financial statements for an acquired business, other than the pro forma financial statements required by subsection 8.4(3), in a business acquisition report if the reporting issuer has made a ‘step-by-step’ purchase as described in the Handbook and the acquired business has been consolidated in the reporting issuer’s most recent annual financial statements that have been filed.

“PART 9 PROXY SOLICITATION AND INFORMATION CIRCULARS

“9.1 Sending of Proxies and Information Circulars

(1) If management of a reporting issuer gives notice of a meeting to its registered holders of voting securities, management must, at the same time as or before giving that notice, send to each registered holder of voting securities who is entitled to notice of the meeting a form of proxy for use at the meeting.

(2) Subject to section 9.2, a person or company that solicits proxies from registered holders of voting securities of a reporting issuer must:

(a) in the case of a solicitation by or on behalf of management of a reporting issuer, send an information circular with the notice of meeting to each registered securityholder whose proxy is solicited; or

(b) in the case of any other solicitation, concurrently with or before the solicitation, send an information circular to each registered securityholder whose proxy is solicited.

(3) In Québec, subsections (1) and (2) apply, adapted as required, to a meeting of holders of debt securities of an issuer that is a reporting issuer in Québec, whether called by management of the reporting issuer or by the trustee of the debt securities.

“9.2 Exemptions from Sending Information Circular

(1) Subsection 9.1(2) does not apply to a solicitation by a person or company in respect of securities of which the person or company is the beneficial owner.

(2) Paragraph 9.1(2)(b) does not apply to a solicitation if the total number of securityholders whose proxies are solicited is not more than 15.

(3) For the purposes of subsection (2), two or more persons or companies who are joint registered owners of one or more securities are considered to be one securityholder.

“9.3 Filing of Information Circulars and Proxy-Related Material

A person or company that is required under this Instrument to send an information circular or form of proxy to registered securityholders of a reporting issuer must promptly file a copy of the information circular, form of proxy and all other material required to be sent by the person or company in connection with the meeting to which the information circular or form of proxy relates.

“9.4 Content of Form of Proxy

- (1) A form of proxy sent to securityholders of a reporting issuer by a person or company soliciting proxies must indicate in bold-face type whether or not the proxy is solicited by or on behalf of the management of the reporting issuer, provide a specifically designated blank space for dating the form of proxy and specify the meeting in respect of which the proxy is solicited.
- (2) An information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must:
 - (a) indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company if any, designated in the form of proxy; and
 - (b) contain instructions as to the manner in which the securityholder may exercise the right referred to in paragraph (a).
- (3) If a form of proxy sent to securityholders of a reporting issuer contains a designation of a named person or company as nominee, it must provide an option for the securityholder to designate in the form of proxy some other person or company as the securityholder's nominee.
- (4) A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the securityholder's name will be voted for or against each matter or group of related matters identified in the form of proxy, in the notice of meeting or in an information circular, other than the appointment of an auditor and the election of directors.
- (5) A form of proxy sent to securityholders of a reporting issuer may confer discretionary authority with respect to each matter referred to in subsection (4) as to which a choice is not specified if the form of proxy or the information circular states in bold-face type how the securities represented by the proxy will be voted in respect of each matter or group of related matters.
- (6) A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the name of the securityholder must be voted or withheld from voting in respect of the appointment of an auditor or the election of directors.
- (7) An information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must state that:
 - (a) the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for; and
 - (b) if the securityholder specifies a choice under subsection (4) or (6) with respect to any matter to be acted upon, the securities will be voted accordingly.
- (8) A form of proxy sent to securityholders of a reporting issuer may confer discretionary authority with respect to:

- (a) amendments or variations to matters identified in the notice of meeting; and
- (b) other matters which may properly come before the meeting;

if:

(c) the person or company by whom or on whose behalf the solicitation is made is not aware within a reasonable time before the time the solicitation is made that any of those amendments, variations or other matters are to be presented for action at the meeting; and

(d) a specific statement is made in the information circular or in the form of proxy that the proxy is conferring such discretionary authority.

(9) A form of proxy sent to securityholders of a reporting issuer must not confer authority to vote:

(a) for the election of any person as a director of a reporting issuer unless a bona fide proposed nominee for that election is named in the information circular; or

(b) at any meeting other than the meeting specified in the notice of meeting or any adjournment of that meeting.

“9.5 Exemption from Part 9

This Part does not apply to a reporting issuer that complies with the requirements of the laws of the jurisdiction in which it is incorporated, organized or continued, if the requirements are substantially similar to the requirements of this Part.

“PART 10 RESTRICTED SECURITY DISCLOSURE

“10.1 Restricted Security Disclosure

(1) Except as otherwise provided in section 10.3, if a reporting issuer has outstanding restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or securities that will, when issued, result in an existing class of outstanding securities being considered restricted securities, each document referred to in subsection (2) must:

(a) refer to restricted securities using a term that includes the appropriate restricted security term;

(b) not refer to securities by a term that includes ‘common’, or ‘preference’ or ‘preferred’, unless the securities are common shares or preference shares, respectively;

(c) describe any restrictions on the voting rights of restricted securities;

(d) describe the rights to participate, if any, of holders of restricted securities if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted securities;

(e) state the percentage of the aggregate voting rights attached to the reporting issuer’s securities that are represented by the class of restricted securities; and

(f) if holders of restricted securities have no right to participate if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted securities, contain a statement to that effect in bold-face type.

(2) Subsection (1) applies to the following documents except as provided in subsections (3) and (6):

(a) an information circular;

(b) a document required by this Instrument to be delivered upon request by a reporting issuer to any of its securityholders; and

(c) an AIF prepared by a reporting issuer.

(3) Despite subsection (2), annual financial statements, interim financial statements and MD&A or other accompanying discussion by management of those financial statements are not required to include the details referred to in paragraphs (1)(c), (d), (e) and (f).

(4) Each reference to restricted securities in any document not referred to in subsection (2) that a reporting issuer sends to its securityholders must include the appropriate restricted security term.

(5) A reporting issuer must not refer, in any of the documents described in subsection (4), to securities by a term that includes 'common' or 'preference' or 'preferred', unless the securities are common shares or preference shares, respectively.

(6) Despite paragraph (1)(b) and subsection (5), a reporting issuer may, in one place only in a document referred to in subsection (2) or (4), describe the restricted securities by the term used in the constating documents of the reporting issuer, to the extent that term differs from the appropriate restricted security term, if the description is not on the front page of the document and is in the same type face and type size as that used generally in the document.

“10.2 Dissemination of Disclosure Documents to Holder of Restricted Securities

(1) If a reporting issuer sends a document to all holders of any class of its equity securities the document must also be sent by the reporting issuer at the same time to the holders of its restricted securities.

(2) A reporting issuer that is required by this Instrument to arrange for, or voluntarily makes arrangements for, delivery of the documents referred to in subsection (1) to the beneficial owners of any securities of a class of equity securities registered in the name of a registrant, must make similar arrangements for delivery of the documents to the beneficial owners of securities of a class of restricted securities registered in the name of the registrant.

“10.3 Exemptions for Certain Reporting Issuers

The provisions of sections 10.1 and 10.2 do not apply to:

- (a) securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the reporting issuer to be non-Canadians, but only to the extent of the restriction; and
- (b) securities that are subject to a restriction, imposed by any law governing the reporting issuer, on the level of ownership of the securities by any person, company or combination of persons or companies, but only to the extent of the restriction.

“PART 11 ADDITIONAL FILING REQUIREMENTS**“11.1 Additional Filing Requirements**

(1) A reporting issuer must file a copy of any disclosure material:

- (a) that it sends to its securityholders; or
- (b) in the case of an SEC issuer, that it files with or furnishes to the SEC, including material filed as exhibits to other documents, if the material contains information that has not been included in disclosure already filed in a jurisdiction by the SEC issuer.

(2) A reporting issuer must file the material referred to in subsection (1) on the same date as, or as soon as practicable after, the earlier of:

- (a) the date on which the reporting issuer sends the material to its securityholders; and
- (b) the date on which the reporting issuer files or furnishes the material to the SEC.

“11.2 Change of Status Report

A reporting issuer must file a notice promptly after the occurrence of either of the following:

- (a) the reporting issuer becomes a venture issuer; or
- (b) the reporting issuer ceases to be a venture issuer.

“11.3 Voting Results

A reporting issuer that is not a venture issuer must, promptly following a meeting of securityholders at which a matter was submitted to a vote, file a report that discloses, for each matter voted upon:

- (a) a brief description of the matter voted upon and the outcome of the vote; and
- (b) if the vote was conducted by ballot, including a vote on a matter in which votes are cast both in person and by proxy, the number or percentage of votes cast for, against or withheld from the vote.

“11.4 Financial Information

A reporting issuer must file a copy of any news release issued by it that discloses information regarding its historical or prospective results of operations or financial condition for a financial year or interim period.

“PART 12 FILING OF CERTAIN DOCUMENTS**“12.1 Filing of Documents Affecting the Rights of Securityholders**

(1) A reporting issuer must file copies of the following documents, and any amendments to the following documents, unless previously filed:

- (a) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer, unless the constating or establishing document is a statutory or regulatory instrument;
- (b) by-laws or other corresponding instruments currently in effect;
- (c) any securityholder or voting trust agreement that the reporting issuer has access to and that can reasonably be regarded as material to an investor in securities of the reporting issuer;
- (d) any securityholders' rights plans or other similar plans; and
- (e) any other contract of the issuer or a subsidiary of the issuer that creates or can reasonably be regarded as materially affecting the rights or obligations of its securityholders generally.

(2) A document required to be filed under subsection (1) may be filed in paper format if:

- (a) it is dated before March 30, 2004; and
- (b) it does not exist in an acceptable electronic format under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

“12.2 Filing of Other Material Contracts

(1) Unless previously filed, a reporting issuer must file a copy of any contract that it or any of its subsidiaries is a party to, other than a contract entered into in the ordinary course of business, that is material to the issuer and was entered into within the last financial year, or before the last financial year but is still in effect.

(2) If an executive officer of the reporting issuer has reasonable grounds to believe that disclosure of certain provisions of a contract required by subsection (1) to be filed would be seriously prejudicial to the interests of the reporting issuer, or would violate confidentiality provisions, the reporting issuer may file the contract with those certain provisions omitted or marked so as to be unreadable.

(3) Despite subsection (1), a reporting issuer is not required to file a contract entered into before January 1, 2002.

“12.3 Time for Filing of Documents

The documents required to be filed under sections 12.1 and 12.2 must be filed no later than the time the reporting issuer files a material change report in Form 51-102F3, if the making of the document constitutes a material change for the issuer; and:

- (a) no later than the time the reporting issuer's AIF is filed under section 6.1, if the document was made or adopted before the date of the issuer's AIF; or
- (b) if the reporting issuer is not required to file an AIF under section 6.1, within 120 days after the end of the issuer's most recently completed financial year, if the document was made or adopted before the end of the issuer's most recently completed financial year.

“PART 13 EXEMPTIONS

“13.1 Exemptions from this Instrument

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

“13.2 Existing Exemptions

- (1) A reporting issuer that was entitled to rely on an exemption, waiver or approval granted to it by a regulator or securities regulatory authority relating to continuous disclosure requirements of securities legislation or securities directions existing immediately before this Instrument came into force is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval.
- (2) A reporting issuer must, at the time that it first intends to rely on subsection (1) in connection with a filing requirement under this Instrument, inform the securities regulatory authority in writing of:
 - (a) the general nature of the prior exemption, waiver or approval and the date on which it was granted; and
 - (b) the requirement under prior securities legislation or securities directions in respect of which the prior exemption, waiver or approval applied and the substantially similar provision of this Instrument.

“13.3 Exemption for Certain Exchangeable Security Issuers

(1) In this section:

‘designated exchangeable security’ means an exchangeable security which provides the holder of the security with economic and voting rights which are, as nearly as possible except for tax implications, equivalent to the underlying securities;

‘exchangeable security’ means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or of the parent issuer to cause the purchase of, an underlying security;

‘exchangeable security issuer’ means a person or company that has issued an exchangeable security;

‘parent issuer’, when used in relation to an exchangeable security issuer, means the person or company that issues the underlying security; and

‘underlying security’ means a security of a parent issuer issued or transferred, or to be issued or transferred, on the exchange of an exchangeable security.

(2) Except as provided in this subsection, this Instrument does not apply to an exchangeable security issuer if:

(a) the parent issuer is the direct or indirect beneficial owner of all the issued and outstanding voting securities of the exchangeable security issuer;

(b) the parent issuer is an SEC issuer with a class of securities listed or quoted on a U.S. marketplace;

(c) the exchangeable security issuer does not issue any securities, other than:

(i) designated exchangeable securities;

(ii) securities issued to the parent issuer; or

(iii) debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;

(d) the exchangeable security issuer files copies of all documents the parent issuer is required to file with the SEC, at the same time as, or as soon as practicable after, the filing by the parent issuer of those documents with the SEC;

(e) the exchangeable security issuer concurrently sends to all holders of designated exchangeable securities, in the manner and at the time required by U.S. laws and the requirements of any U.S. marketplace on which securities of the parent issuer are listed or quoted, all disclosure materials that are sent to holders of the underlying securities;

- (f) the parent issuer is in compliance with U.S. laws and the requirements of any U.S. marketplace on which the securities of the parent issuer are listed or quoted in respect of making public disclosure of material information on a timely basis, and immediately issues in Canada and files any news release that discloses a material change in its affairs;
- (g) the exchangeable security issuer issues in Canada a news release and files a material change report in accordance with Part 7 of this Instrument for all material changes in respect of the affairs of the exchangeable security issuer that are not also material changes in the affairs of its parent issuer; and
- (h) the parent issuer includes in all mailings of proxy solicitation materials to holders of designated exchangeable securities a clear and concise statement that:
 - (i) explains the reason the mailed material relates solely to the parent issuer;
 - (ii) indicates that the designated exchangeable securities are the economic equivalent to the underlying securities; and
 - (iii) describes the voting rights associated with the designated exchangeable securities.

(3) The insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* does not apply to any insider of an exchangeable security issuer in respect of securities of the exchangeable security issuer so long as:

- (a) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the parent issuer before the material facts or material changes are generally disclosed;
- (b) the insider is not an insider of the parent issuer in any capacity other than by virtue of being an insider of the exchangeable security issuer;
- (c) the parent issuer is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the exchangeable security issuer;
- (d) the parent issuer is an SEC issuer; and
- (e) the exchangeable security issuer has not issued any securities, other than:
 - (i) designated exchangeable securities;
 - (ii) securities issued to the parent issuer; or
 - (iii) debt securities issued to the parent issuer or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

“13.4 Exemption for Certain Credit Support Issuers

(1) In this section:

‘credit support issuer’ means an issuer of securities for which a credit supporter has provided a guarantee;

‘credit supporter’ means a person or company that provides a guarantee for any of the payments to be made by an issuer of securities as stipulated in the terms of the securities or in an agreement governing rights of, or granting rights to, holders of the securities;

‘designated credit support securities’ means:

- (a) non-convertible debt that has an approved rating; or
- (b) non-convertible preferred shares that have an approved rating;

in respect of which a credit supporter has provided a full and unconditional guarantee of the payments to be made by the credit support issuer, as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the credit support issuer to make a payment;

‘SEC MJDS issuer’ means an issuer that:

- (a) is incorporated or organized under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia;
- (b) either:
 - (i) has a class of securities registered under section 12(b) or 12(g) of the 1934 Act; or
 - (ii) is required to file reports under section 15(d) of the 1934 Act;
- (c) has filed with the SEC all 1934 Act filings for a period of 12 calendar months immediately before the date on which the person or company seeks to rely on the exemptions in subsections (2) or (3);
- (d) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended; and
- (e) is not an issuer formed and operated for the purpose of investing in commodity futures contracts, commodity futures, related products, or a combination of them.

(2) Except as provided in this subsection, this Instrument does not apply to a credit support issuer if:

- (a) the credit supporter is the direct or indirect beneficial owner of all the issued and outstanding voting securities of the credit support issuer;
- (b) the credit supporter is an SEC MJDS issuer;

- (c) the credit support issuer does not issue any securities, other than:
 - (i) designated credit support securities;
 - (ii) securities issued to the credit supporter or an affiliate of the credit supporter; or
 - (iii) debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;
- (d) the credit support issuer files copies of all documents the credit supporter is required to file with the SEC, at the same time or as soon as practicable after the filing by the credit supporter of those documents with the SEC;
- (e) the credit supporter is in compliance with the requirements of U.S. laws and any U.S. marketplace on which securities of the credit supporter are listed or quoted in respect of making public disclosure of material information on a timely basis and immediately issues in Canada and files any news release that discloses a material change in its affairs;
- (f) the credit support issuer issues in Canada a news release and files a material change report in accordance with Part 7 of this Instrument for all material changes in respect of the affairs of the credit support issuer that are not also material changes in the affairs of the credit supporter;
- (g) in the case of a credit support issuer that has operations, other than minimal operations, that are independent of the credit supporter, the credit support issuer files, in electronic format:
 - (i) annual comparative financial information, derived from the credit support issuer's audited consolidated financial statements for its most recently completed financial year, that is accompanied by a specified procedures report of the auditors to the credit support issuer and that includes the following line items for the most recently completed financial year and the financial year immediately preceding the most recently completed financial year:
 - (A) sales/revenues;
 - (B) net earnings from continuing operations before extraordinary items;
 - (C) net earnings;
 - (D) current assets;
 - (E) non-current assets;
 - (F) current liabilities; and
 - (G) non-current liabilities; and

(ii) interim comparative financial information, derived from the credit support issuer's unaudited consolidated financial statements for its most recently completed interim period, that includes the following line items for the most recently completed interim period and, for items (A), (B) and (C), the corresponding interim period in the immediately preceding completed financial year, and for items (D), (E), (F) and (G), as at the end of the immediately preceding financial year:

(A) sales/revenues;

(B) net earnings or loss from continuing operations before extraordinary items;

(C) net earnings or loss;

(D) current assets;

(E) non-current assets;

(F) current liabilities; and

(G) non-current liabilities;

(h) in the case of designated credit support securities that include debt, the credit support issuer concurrently sends to all holders of such securities, in the manner and at the time required by U.S. laws and any U.S. marketplace on which securities of the credit supporter are listed or quoted, all disclosure materials that are sent to holders of non-convertible debt of the credit supporter that has an approved rating; and

(i) in the case of designated credit support securities that include preferred shares, the credit support issuer concurrently sends to all holders of such securities, in the manner and at the time required by U.S. laws and any U.S. marketplace on which securities of the credit supporter are listed or quoted, all disclosure materials that are sent to holders of non-convertible preferred shares of the credit supporter that have an approved rating.

(3) The insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* do not apply to an insider of a credit support issuer in respect of securities of the credit support issuer so long as:

(a) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the credit supporter before the material facts or material changes are generally disclosed;

(b) the insider is not an insider of the credit supporter in any capacity other than by virtue of being an insider of the credit support issuer;

(c) the credit supporter is the direct or indirect beneficial owner of all the issued and outstanding voting securities of the credit support issuer;

(d) the credit supporter is an SEC MJDS issuer; and

(e) the credit support issuer has not issued any securities, other than:

- (i) designated credit support securities;
- (ii) securities issued to the credit supporter or an affiliate of the credit supporter; or
- (iii) debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

“PART 14 EFFECTIVE DATE AND TRANSITION

“14.1 Effective Date

This Instrument comes into force on March 30, 2004.

“14.2 Transition

Despite section 14.1, the provisions of this Instrument, including Part 10, concerning:

- (a) annual financial statements or MD&A relating to those financial statements, except sections 4.8 to 4.11, apply for financial years beginning on or after January 1, 2004;
- (b) interim financial statements or MD&A relating to those financial statements, except sections 4.8 to 4.11, apply for interim periods in financial years beginning on or after January 1, 2004;
- (c) AIFs apply in respect of financial years beginning on or after January 1, 2004;
- (d) business acquisition reports apply to significant acquisitions if the initial legally binding agreement relating to the acquisition was entered into on or after March 30, 2004;
- (e) proxy solicitation and information circulars apply from and after June 1, 2004; and
- (f) filing of documents under Part 12 apply in respect of financial years beginning on or after January 1, 2004.

“NATIONAL INSTRUMENT 51-102

“FORM 51-102F1

MANAGEMENT’S DISCUSSION AND ANALYSIS

“PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION

(a) What is MD&A?

MD&A is a narrative explanation, through the eyes of management, of how your company performed during the period covered by the financial statements, and of your company’s financial condition and future prospects. MD&A complements and supplements your financial statements, but does not form part of your financial statements.

Your objective when preparing the MD&A should be to improve your company's overall financial disclosure by giving a balanced discussion of your company's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news. Your MD&A should:

- help current and prospective investors understand what the financial statements show and do not show;
- discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations;
- discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and
- provide information about the quality, and potential variability, of your company's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

(b) Date of Information

In preparing the MD&A, you must take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, you must ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

(c) Use of "Company"

Wherever this Form uses the word "company", the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(d) Explain Your Analysis

Explain the nature of, and reasons for, changes in your company's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. Your discussion should assist the reader to understand trends, events, transactions and expenditures.

(e) Focus on Material Information

Focus your MD&A on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material.

(f) What is Material?

Would a reasonable investor's decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(g) Forward-Looking Information

You are encouraged to provide forward-looking information if you have a reasonable basis for making the statements. Preparing your MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect your company's business. However, MD&A does not require that your company provide a detailed forecast of future revenues, income or loss or other information.

All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, your material assumptions and appropriate risk disclosure and cautionary language.

You must discuss any forward-looking information disclosed in MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Forward looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained. Your timely disclosure obligations might also require you to issue a news release and file a material change report.

(h) Venture Issuers Without Significant Revenues

If your company is a venture issuer without significant revenues from operations, focus your discussion and analysis of results of operations on expenditures and progress towards achieving your business objectives and milestones.

(i) Reverse Takeover Transactions

When an acquisition is accounted for as a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.

(j) Foreign Accounting Principles

If your company's primary financial statements have been prepared using accounting principles other than Canadian GAAP and a reconciliation is provided, your MD&A must focus on the primary financial statements.

(k) Resource Issuers

If your company has mineral projects, your disclosure must comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, including the requirement that all scientific and technical disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person.

If your company has oil and gas activities, your disclosure must comply with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

(l) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(m) Omitting Information

You do not need to respond to any item in this Form that is inapplicable.

(n) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(o) Plain Language

Write the MD&A so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

“PART 2 CONTENT OF MD&A

“Item 1 Annual MD&A

“1.1 Date

Specify the date of your MD&A. The date of the MD&A must be no earlier than the date of the auditor’s report on the financial statements for your company’s most recently completed financial year.

“1.2 Overall Performance

Provide an analysis of your company’s financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on your company’s business. Compare your company’s performance in the most recently completed financial year to the prior year’s performance. Your analysis should address at least the following:

- (a) operating segments that are reportable segments as those terms are used in the Handbook;
- (b) other parts of your business if:
 - (i) they have a disproportionate effect on revenues, income or cash needs; or
 - (ii) there are any legal or other restrictions on the flow of funds from one part of your company’s business to another;
- (c) industry and economic factors affecting your company’s performance;
- (d) why changes have occurred or expected changes have not occurred in your company’s financial condition and results of operations; and
- (e) the effect of discontinued operations on current operations.

INSTRUCTIONS

(i) When explaining changes in your company’s financial condition and results, include an analysis of the effect on your continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.

(ii) *Financial condition includes your company's financial position (as shown on the balance sheet) and other factors that may affect your company's liquidity and capital resources.*

(iii) *Include information for a period longer than two financial years if it will help the reader to better understand a trend.*

“1.3 Selected Annual Information

(1) Provide the following financial data derived from your company's financial statements for each of the three most recently completed financial years:

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;
- (c) net income or loss, in total and on a per-share and diluted per-share basis;
- (d) total assets;
- (e) total long-term financial liabilities; and
- (f) cash dividends declared per-share for each class of share.

(2) Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of your business, and any other information your company believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

INSTRUCTIONS

Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

“1.4 Results of Operations

Discuss your analysis of your company's operations for the most recently completed financial year, including:

- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
- (b) any other significant factors that caused changes in net sales or total revenues;
- (c) cost of sales or gross profit;
- (d) for issuers that have significant projects that have not yet generated operating revenue, describe each project, including your company's plan for the project and the status of the project

relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;

(e) for resource issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;

(f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;

(g) commitments, events, risks or uncertainties that you reasonably believe will materially affect your company's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;

(h) effect of inflation and specific price changes on your company's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;

(i) a comparison in tabular form of disclosure you previously made about how your company was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on your company's ability to achieve its business objectives and milestones; and

(j) unusual or infrequent events or transactions.

INSTRUCTIONS

Your discussion under paragraph 1.4(d) should include:

(i) whether or not you plan to expend additional funds on the project; and

(ii) any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.

“1.5 Summary of Quarterly Results

Provide the following information in summary form, derived from your company's financial statements, for each of the eight most recently completed quarters:

(a) net sales or total revenues;

(b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and

(c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

INSTRUCTIONS

- (i) *In the case of the annual MD&A, your most recently completed quarter is the quarter that ended on the last day of your most recently completed financial year.*
- (ii) *You do not have to provide information for a quarter prior to your company becoming a reporting issuer if your company has not prepared financial statements for those quarters.*
- (iii) *For sections 1.2, 1.3, 1.4 and 1.5 consider identifying, discussing and analyzing the following factors:*
- (A) changes in customer buying patterns, including changes due to new technologies and changes in demographics;*
 - (B) changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;*
 - (C) changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;*
 - (D) the effect of exchange rates;*
 - (E) changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;*
 - (F) changes in production capacity, including changes due to plant closures and work stoppages;*
 - (G) changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;*
 - (H) changes in the terms and conditions of service contracts;*
 - (I) the progress in achieving previously announced milestones; and*
 - (J) for resource issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes.*
- (iv) *Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.*

“1.6 Liquidity

Provide an analysis of your company’s liquidity, including:

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain your company’s capacity, to meet your company’s planned growth or to fund development activities;
- (b) trends or expected fluctuations in your company’s liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;
- (e) if your company has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect your company’s liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to your company and the effect these restrictions have had or may have on the ability of your company to meet its obligations; and
- (h) defaults or arrears or anticipated defaults or arrears on:
 - (i) dividend payments, lease payments, interest or principal payment on debt;
 - (ii) debt covenants during the most recently completed financial year; and
 - (iii) redemption or retraction or sinking fund payments;

and how your company intends to cure the default or arrears.

INSTRUCTIONS

(i) In discussing your company’s ability to generate sufficient amounts of cash and cash equivalents you should describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.

(ii) In discussing trends or expected fluctuations in your company’s liquidity and liquidity risks associated with financial instruments you should discuss:

(A) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations are provisions linked to credit rating, earnings, cash flows or share price; and

(B) circumstances that could impair your company's ability to undertake transaction considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.

(iii) In discussing your company's working capital requirements you should discuss situations where your company must maintain significant inventory to meet customers' delivery requirements or any situations involving extended payment terms.

(iv) In discussing your company's balance sheet conditions or income or cash flow items you should present a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. The summary and table do not have to be provided if your company is a venture issuer. An example of a table that can be adapted to your company's particular circumstances follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
<i>Long Term Debt</i>					
<i>Capital Lease Obligations</i>					
<i>Operating Leases</i>					
<i>Purchase Obligations¹</i>					
<i>Other Long Term Obligations²</i>					
<i>Total Contractual Obligations</i>					

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of your company's specified contractual obligations.

“1.7 Capital Resources

Provide an analysis of your company's capital resources, including:

(a) commitments for capital expenditures as of the date of your company's financial statements including:

¹ “Purchase Obligations” means an agreement to purchase goods or services that is enforceable and legally binding on your company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

² “Other Long Term Obligations” means other long-term liabilities reflected on your company's balance sheet.

- (i) the amount, nature and purpose of these commitments;
 - (ii) the expected source of funds to meet these commitments; and
 - (iii) expenditures not yet committed but required to maintain your company's capacity, to meet your company's planned growth or to fund development activities;
- (b) known trends or expected fluctuations in your company's capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that your company has arranged but not yet used.

INSTRUCTIONS

- (i) Capital resources are financing resources available to your company and include debt, equity and any other financing arrangements that you reasonably consider will provide financial resources to your company.*
- (ii) In discussing your company's commitments you should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.*

“1.8 Off-Balance Sheet Arrangements

Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of your company including, without limitation, such considerations as liquidity and capital resources.

In your discussion of off-balance sheet arrangements you should discuss their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments. Your discussion should include:

- (a) a description of the other contracting party(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require your company to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

INSTRUCTIONS

(i) *Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with your company, under which your company has:*

(A) *any obligation under certain guarantee contracts;*

(B) *a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;*

(C) *any obligation under certain derivative instruments; or*

(D) *any obligation under a material variable interest held by your company in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to your company, or engages in leasing, hedging or, research and development services with your company.*

(ii) *Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.*

(iii) *Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.*

(iv) *The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.*

“1.9 Transactions with Related Parties

Discuss all transactions involving related parties as defined by the Handbook.

INSTRUCTIONS

In discussing your company’s transactions with related parties, your discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions’ business purpose and economic substance. You should discuss:

(A) *the relationship and identify the related person or entities;*

(B) *the business purpose of the transaction;*

(C) *the recorded amount of the transaction and the measurement basis used; and*

(D) *any ongoing contractual or other commitments resulting from the transaction.*

“1.10 Fourth Quarter

Discuss and analyze fourth quarter events or items that affected your company’s financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of your company’s business and dispositions of business segments.

“1.11 Proposed Transactions

Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if your company’s board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

INSTRUCTIONS

You do not have to disclose this information if, under section 7.1 of National Instrument 51-102, your company has filed a Form 51-102F3 Material Change Report regarding the transaction on a confidential basis and the report remains confidential.

“1.12 Critical Accounting Estimates

If your company is not a venture issuer, provide an analysis of your company’s critical accounting estimates. Your analysis should:

- (a) identify and describe each critical accounting estimate used by your company including:
 - (i) a description of the accounting estimate;
 - (ii) the methodology used in determining the critical accounting estimate;
 - (iii) the assumptions underlying the accounting estimate that relate to matters highly uncertain at the time the estimate was made;
 - (iv) any known trends, commitments, events or uncertainties that you reasonably believe will materially affect the methodology or the assumptions described; and
 - (v) if applicable, why the accounting estimate is reasonably likely to change from period to period and have a material impact on the financial presentation;
- (b) explain the significance of the accounting estimate to your company’s financial condition, changes in financial condition and results of operations and identify the financial statement line items affected by the accounting estimate;
- (c) quantify the changes in overall financial performance and financial statement line items if you assume that the accounting estimate was to change by using either:
 - (i) reasonably likely changes in the material assumptions; or
 - (ii) the upper and lower ends of the range of estimates from which the recorded estimate was selected;

- (d) discuss changes made to critical accounting estimates during the past two financial years including the reasons for the change and the quantitative effect on your company's overall financial performance and financial statement line items; and
- (e) identify the segments of your company's business that the accounting estimate affects and discuss the accounting estimate on a segment basis, if your company operates in more than one segment.

INSTRUCTIONS

An accounting estimate is a critical accounting estimate only if:

- (A) it requires your company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made; and*
- (B) different estimates that your company could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on your company's financial condition, changes in financial condition or results of operations.*

“1.13 Changes in Accounting Policies including Initial Adoption

Discuss and analyze any changes in your company's accounting policies, including:

- (a) for any accounting policies that you have adopted or expect to adopt subsequent to the end of your most recently completed financial year, including changes you have made or expect to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date, you should:
 - (i) describe the new standard, the date you are required to adopt it and, if determined, the date you plan to adopt it;
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method you expect to use;
 - (iii) discuss the expected effect on your company's financial statements, or if applicable, state that you cannot reasonably estimate the effect; and
 - (iv) discuss the potential effect on your business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that you have initially adopted during the most recently completed financial year, you should:
 - (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
 - (ii) describe the accounting principle that has been adopted and the method of applying that principle;

- (iii) discuss the effect resulting from the initial adoption of the accounting policy on your company's financial condition, changes in financial condition and results of operations;
- (iv) if your company is permitted a choice among acceptable accounting principles:
 - (A) state that you made a choice among acceptable alternatives;
 - (B) identify the alternatives;
 - (C) describe why you made the choice that you did; and
 - (D) discuss the effect, where material, on your company's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and
- (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to your initial adoption of the accounting policy, explain your decision regarding which accounting principle to use and the method of applying that principle.

INSTRUCTIONS

You do not have to present the discussion under paragraph 1.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

“1.14 Financial Instruments and Other Instruments

For financial instruments and other instruments:

- (a) discuss the nature and extent of your company's use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how you manage the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

INSTRUCTIONS

- (i) *“Other instruments” are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.*
- (ii) *Your discussion under paragraph 1.14(a) should enhance a reader’s understanding of the significance of recognized and unrecognized instruments on your company’s financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.*
- (iii) *For purposes of paragraph 1.14(c), if your company is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing your company’s exposure to price risk.*
- (iv) *For purposes of paragraph 1.14(d), disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.*

“1.15 Other MD&A Requirements

- (a) Your MD&A must disclose that additional information relating to your company, including your company’s AIF if your company files an AIF, is on SEDAR at www.sedar.com.
- (b) Your MD&A must also provide the information required in the following sections of National Instrument 51-102:
- (i) section 5.3 - Additional Disclosure for Venture Issuers without Significant Revenue; and
 - (ii) section 5.4 – Disclosure of Outstanding Share Data.

INSTRUCTIONS

Your company may also be required to provide additional disclosure in its MD&A as set out in Form 52-109F1 Certification of Annual Filings and Form 52-109F2 Certification of Interim Filings.

“Item 2 Interim MD&A**“2.1 Date**

Specify the date of your interim MD&A.

“2.2 Interim MD&A

Interim MD&A must update your company’s annual MD&A for all disclosure required by Item 1 except section 1.3. This disclosure must include:

- (a) a discussion of your analysis of:

- (i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;
 - (ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;
 - (iii) any seasonal aspects of your company's business that affect its financial condition, results of operations or cash flows; and
- (b) a comparison of your company's interim financial condition to your company's financial condition as at the most recently completed financial year-end.

INSTRUCTIONS

- (i) If the first MD&A you file in this Form (your first MD&A) is not an annual MD&A, you must provide all the disclosure called for in Item 1 in your first MD&A. Your subsequent interim MD&A for that year will update your first interim MD&A.*
- (ii) For the purposes of paragraph 2.2(b), you may assume the reader has access to your annual MD&A or your first MD&A. You do not have to duplicate the discussion and analysis of financial condition in your annual MD&A or your first MD&A. For example, if economic and industry factors are substantially unchanged you may make a statement to this effect.*
- (iii) For the purposes of subparagraph 2.2(a)(i), you should generally give prominence to the current quarter.*
- (iv) In discussing your company's balance sheet conditions or income or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 1.6. Instead, you should disclose material changes in the specified contractual obligations during the interim period that are outside the ordinary course of your company's business.*
- (v) Interim MD&A prepared in accordance with Item 2 is not required for your company's fourth quarter as relevant fourth quarter content will be contained in your company's annual MD&A prepared in accordance with Item 1 (see section 1.10).*

“NATIONAL INSTRUMENT**“FORM 51-102F2
ANNUAL INFORMATION FORM****“PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION****(a) What is an AIF?**

An AIF (annual information form) is required to be filed annually by certain companies under Part 6 of National Instrument 51-102. An AIF is a disclosure document intended to provide material information about your company and its business at a point in time in the context of its historical and possible future development. Your AIF describes your company, its operations and prospects, risks and other external factors that impact your company specifically.

This disclosure is supplemented throughout the year by subsequent continuous disclosure filings including news releases, material change reports, business acquisition reports, financial statements and management discussion and analysis.

(b) Date of Information

Unless otherwise specified in this Form, the information in your AIF must be presented as at the last day of your company’s most recently completed financial year. If necessary, you must update the information in the AIF so it is not misleading when it is filed. For information presented as at any date other than the last day of your company’s most recently completed financial year, specify the relevant date in the disclosure.

(c) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

All references to “your company” in Items 4, 5, 6, 12, 13, 15 and 16 of this Form apply collectively to your company, your company’s subsidiaries, joint ventures to which your company is a party and entities in which your company has an investment accounted for by the equity method.

(d) Focus on Material Information

Focus your AIF on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material. However, you must disclose all corporate and individual cease trade orders, bankruptcies, penalties and sanctions in accordance with Item 10 of this Form.

(e) What is Material?

Would a reasonable investor’s decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(f) Incorporating Information by Reference

You may incorporate information required to be included in your AIF by reference to another document, other than a previous AIF. Clearly identify the referenced document or any excerpt of it that you incorporate into your AIF. Unless you have already filed the referenced document or excerpt under your SEDAR profile, you must file it with your AIF. You must also disclose that the document is on SEDAR at www.sedar.com.

(g) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(h) Plain Language

Write the AIF so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

(i) Special Purpose Vehicles

If your company is a special purpose vehicle, you may have to modify the disclosure items in this Form to reflect the special purpose nature of your company's business.

(j) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(k) Omitting Information

You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

“PART 2 CONTENT OF AIF**“Item 1 Cover Page****“1.1 Date**

Specify the date of your AIF. The date must be no earlier than the date of the auditor's report on the financial statements for your company's most recently completed financial year.

You must file your AIF within 10 days of the date of the AIF.

“1.2 Revisions

If you revise your company's AIF after you have filed it, identify the revised version as a “revised AIF”.

“Item 2 Table of Contents

“2.1 Table of Contents

Include a table of contents.

“Item 3 Corporate Structure**“3.1 Name, Address and Incorporation**

(1) State your company’s full corporate name or, if your company is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of your company’s head and registered office.

(2) State the statute under which your company is incorporated, continued or organized or, if your company is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of your company.

“3.2 Intercorporate Relationships

Describe, by way of a diagram or otherwise, the intercorporate relationships among your company and its subsidiaries. For each subsidiary state:

- (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, controlled or directed, by your company;
- (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, controlled or directed, by your company; and
- (c) where it was incorporated or continued.

INSTRUCTIONS

You may omit a particular subsidiary if, at the most recent financial year-end of your company:

- (i) the total assets of the subsidiary do not exceed 10 per cent of the consolidated assets of your company;*
- (ii) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of your company; and*
- (iii) the conditions in paragraphs (i) and (ii) would be satisfied if you:*
 - (A) aggregated the subsidiaries that may be omitted under paragraphs (i) and (ii); and*
 - (B) changed the reference in those paragraphs from 10 per cent to 20 per cent.*

“Item 4 General Development of the Business**“4.1 Three Year History**

Describe how your company’s business has developed over the last three completed financial years. Include only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business. If your company produces or distributes more than one product or provides more than one kind of service, describe the products or services. Also discuss changes in your company’s business that you expect will occur during the current financial year.

“4.2 Significant Acquisitions

Disclose any significant acquisition completed by your company during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102; by:

- (a) incorporating by reference any Forms 51-102F4 filed by your company since you filed your previous AIF; and
- (b) providing a brief summary of any significant acquisition for which a Form 51-102F4 has not yet been filed.

“Item 5 Describe the Business**“5.1 General**

(1) Describe the business of your company and its operating segments that are reportable segments as those terms are used in the Handbook. For each reportable segment include:

- (a) **Summary** - For products or services:
 - (i) their principal markets;
 - (ii) distribution methods;
 - (iii) for each of the two most recently completed financial years, as dollar amounts or as percentages, the revenues for each category of products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:
 - (A) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method;
 - (B) sales to customers, other than those referred to in clause A, outside the consolidated entity; and
 - (C) sales or transfers to controlling shareholders;
 - (iv) if not fully developed, the stage of development of the products or services and, if the products are not at the commercial production stage:

- (A) the timing and stage of research and development programs;
- (B) whether your company is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods; and
- (C) the additional steps required to reach commercial production and an estimate of costs and timing.

(b) **Production and Services** - The actual or proposed method of production and, if your company provides services, the actual or proposed method of providing services.

(c) **Specialized Skill and Knowledge** - A description of any specialized skill and knowledge requirements and the extent to which the skill and knowledge are available to your company.

(d) **Competitive Conditions** - The competitive conditions in your company's principal markets and geographic areas, including, if reasonably possible, an assessment of your company's competitive position.

(e) **New Products** - If you have publicly announced the introduction of a new product, the status of the product.

(f) **Components** - The sources, pricing and availability of raw materials, component parts or finished products.

(g) **Intangible Properties** - The importance, duration and effect of identifiable intangible properties, such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks, on the segment.

(h) **Cycles** - The extent to which the business of the segment is cyclical or seasonal.

(i) **Economic Dependence** - A description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends.

(j) **Changes to Contracts** - A description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

(k) **Environmental Protection** - The financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of your company in the current financial year and the expected effect in future years.

(l) **Employees** - The number of employees as at the most recent financial year-end or the average number of employees over the year, whichever is more meaningful to understand the business.

(m) **Foreign Operations** - Describe the dependence of your company and any segment upon foreign operations.

(n) **Lending** - With respect to your company's lending operations, disclose the investment policies and lending and investment restrictions.

(2) **Bankruptcy, etc.** - Disclose the nature and results of any bankruptcy, receivership or similar proceedings against your company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by your company or any of its subsidiaries, within the three most recently completed financial years and up to the date of the AIF.

(3) **Reorganizations** - Disclose the nature and results of any material reorganization of your company or any of its subsidiaries within the three most recently completed financial years or completed during or proposed for the current financial year.

(4) **Social or Environmental Policies** - If your company has implemented social or environmental policies that are fundamental to your operations, such as policies regarding your company's relationship with the environment or with the communities in which it does business, or human rights policies, describe them and the steps your company has taken to implement them.

“5.2 Risk Factors

Disclose risk factors relating to your company and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by your company, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be most likely to influence an investor's decision to purchase securities of your company. Risks should be disclosed in the order of their seriousness. If there is a risk that securityholders of your company may become liable to make an additional contribution beyond the price of the security, disclose that risk.

“5.3 Companies with Asset-backed Securities Outstanding

If your company had asset-backed securities outstanding that were distributed under a prospectus, disclose the following information:

(1) **Payment Factors** - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.

(2) **Underlying Pool of Assets** - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, information on the pool of financial assets servicing the asset-backed securities relating to:

(a) the composition of the pool as of the end of each financial year or partial period;

(b) income and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

(c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

(d) servicing and other administrative fees; and

(e) any significant variances experienced in the matters referred to in paragraphs (a), (b), (c), or (d).

(3) **Investment Parameters** - The investment parameters applicable to investments of any cash flow surpluses.

(4) **Payment History** - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.

(5) **Acceleration Event** - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.

(6) **Principal Obligors** - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the pool of financial assets servicing the asset-backed securities represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K, Form 10-KSB or Form 20-F in the United States.

INSTRUCTIONS

(i) *Present the information requested under subsection (2) in a manner that enables a reader to easily determine the status of the events, covenants, standards and preconditions referred to in subsection (1).*

(ii) *If the information required under subsection (2):*

(A) is not compiled specifically on the pool of financial assets servicing the asset-backed securities, but is compiled on a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets; or

(B) in the case of a new company, where the pool of financial assets servicing the asset-backed securities will be randomly selected from a larger pool of the same assets so that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created;

a company may comply with subsection (2) by providing the information required based on the larger pool and disclosing that it has done so.

“5.4 Companies With Mineral Projects

If your company had a mineral project, disclose the following information for each project material to your company:

(1) **Project Description and Location**

- (a) the area (in hectares or other appropriate units) and the location of the project;
- (b) the nature and extent of your company's title to or interest in the project, including surface rights, obligations that must be met to retain the project and the expiration date of claims, licences and other property tenure rights;
- (c) the terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the project is subject;
- (d) all environmental liabilities to which the project is subject;
- (e) the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailing ponds, waste deposits and important natural features and improvements;
- (f) to the extent known, the permits that must be acquired to conduct the work proposed for the project and if the permits have been obtained.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

- (a) the means of access to the property;
- (b) the proximity of the property to a population centre and the nature of transport;
- (c) to the extent relevant to the mining project, the climate and length of the operating season;
- (d) the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites;
- (e) the topography, elevation and vegetation.

(3) History

- (a) the prior ownership and development of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known;
- (b) if your company acquired a project within the three most recently completed financial years or during the current financial year from, or intends to acquire a project from, an informed person or promoter of your company or an associate or affiliate of an informed person or promoter, the name of the vendor, the relationship of the vendor to your company, and the consideration paid or intended to be paid to the vendor;
- (c) to the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in paragraph (b).

(4) Geological Setting - The regional, local and property geology.

(5) Exploration - The nature and extent of all exploration work conducted by, or on behalf of, your company on the property, including:

- (a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;
 - (b) an interpretation of the exploration information;
 - (c) whether the surveys and investigations have been carried out by your company or a contractor and if by a contractor, the name of the contractor; and
 - (d) a discussion of the reliability or uncertainty of the data obtained in the program.
- (6) **Mineralization** - The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.
- (7) **Drilling** - The type and extent of drilling, including the procedures followed and an interpretation of all results.
- (8) **Sampling and Analysis** - The sampling and assaying including:
- (a) description of sampling methods and the location, number, type, nature, spacing or density of samples collected;
 - (b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;
 - (c) a discussion of the sample quality and whether the samples are representative and of any factors that may have resulted in sample biases;
 - (d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and
 - (e) quality control measures and data verification procedures.
- (9) **Security of Samples** - The measures taken to ensure the validity and integrity of samples taken.
- (10) **Mineral Resource and Mineral Reserve Estimates** - The mineral resources and mineral reserves, if any; including:
- (a) the quantity and grade or quality of each category of mineral resources and mineral reserves;
 - (b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and

(c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.

(11) **Mining Operations** - For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.

(12) **Exploration and Development** - A description of your company's current and contemplated exploration or development activities.

INSTRUCTIONS

(i) *Disclosure regarding mineral exploration development or production activities on material projects must comply with, and is subject to the limitations set out in, National Instrument 43-101 Standards of Disclosure for Mineral Projects. You must use the appropriate terminology to describe mineral reserves and mineral resources. You must base your disclosure on a technical report, or other information, prepared by or under the supervision of a qualified person.*

(ii) *You may satisfy the disclosure requirements in section 5.4 by reproducing the summary from the technical report on the material property, and incorporating the detailed disclosure in the technical report into the AIF by reference.*

(iii) *In giving the information required under section 5.4 include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.*

“5.5 Companies with Oil and Gas Activities

If your company is engaged in oil and gas activities as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, disclose the following information:

(1) Reserves Data and Other Information

(a) In the case of information that, for purposes of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end.

(b) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for your company's most recently completed financial year.

(c) To the extent not reflected in the information disclosed in response to paragraphs (a) and (b), disclose the information contemplated by Part 6 of National Instrument 51-101 in respect of material changes that occurred after your company's most recently completed financial year-end.

(2) **Report of Independent Qualified Reserves Evaluator or Auditor** - Include with the disclosure under subsection (1) a report in the form of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*, on the reserves data included in the disclosure required under paragraphs (1)(a) and 1(b) above.

(3) **Report of Management** - Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* that refers to the information disclosed under subsection (1).

INSTRUCTIONS

The information presented in response to section 5.5 must be in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

“Item 6 Dividends

“6.1 Dividends

(1) Disclose the amount of cash dividends declared per share for each class of your company’s shares for each of the three most recently completed financial years.

(2) Describe any restriction that could prevent your company from paying dividends.

(3) Disclose your company’s current dividend policy and any intended change in dividend policy.

“Item 7 Description of Capital Structure

“7.1 General Description of Capital Structure

Describe your company’s capital structure. State the description or the designation of each class of authorized security, and describe the material characteristics of each class of authorized security, including voting rights, provisions for exchange, conversion, exercise, redemption and retraction, dividend rights and rights upon dissolution or winding-up.

INSTRUCTIONS

This section requires only a brief summary of the provisions that are material from a securityholder’s standpoint. The provisions attaching to different classes of securities do not need to be set out in full. This summary should include the disclosure required in subsection 10.1(1) of National Instrument 51-102.

“7.2 Constraints

If there are constraints imposed on the ownership of securities of your company to ensure that your company has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities is or will be monitored and maintained.

“7.3 Ratings

If one or more ratings, including provisional ratings, has been received from one or more rating organizations for securities of your company that are outstanding and the rating or ratings continue in effect, disclose:

- (a) each security rating, including a provisional rating, received from an approved rating organization;
- (b) for each rating disclosed under paragraph (a), the name of the approved rating organization that has assigned the rating;
- (c) a definition or description of the category in which each approved rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;
- (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities;
- (f) a statement that a security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization; and
- (g) any announcement made by an approved rating organization that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.

INSTRUCTIONS

There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by an approved rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under section 7.3.

“Item 8 Market for Securities

“8.1 Trading Price and Volume

- (1) For each class of securities of your company that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- (2) If a class of securities of your company is not traded or quoted on a Canadian marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume of trading or quotation generally occurs.
- (3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the most recently completed financial year.

“8.2 Prior Sales

For each class of securities of your company that is outstanding but not listed or quoted on a marketplace, state the price at which securities of the class have been sold during the most recently completed financial year by your company and the number of securities of the class sold.

“Item 9 Escrowed Securities**“9.1 Escrowed Securities**

(1) State, in substantially the following tabular form, the number of securities of each class of your company held, to your company’s knowledge, in escrow, and the percentage that number represents of the outstanding securities of that class.

ESCROWED SECURITIES		
Designation of Class	Number of Securities held in Escrow	Percentage of Class

(2) In a note to the table, disclose the name of the escrow agent, if any, and the date of and conditions governing the release of the securities from escrow.

INSTRUCTIONS

For the purposes of this Item, escrow includes a pooling agreement.

“Item 10 Directors and Officers**“10.1 Name, Occupation and Security Holding**

(1) List the name, province or state, and country of residence of each director and executive officer of your company and indicate their respective positions and offices held with your company and their respective principal occupations during the five preceding years.

(2) State the period or periods during which each director has served as a director and when his or her term of office will expire.

(3) State the number and percentage of securities of each class of voting securities of your company or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised, by all directors and executive officers of your company as a group.

(4) Identify the members of each committee of the board.

(5) If the principal occupation of a director or executive officer of your company is acting as an officer of a person or company other than your company, disclose that fact and state the principal business of the person or company.

INSTRUCTIONS

For the purposes of subsection (3), securities of subsidiaries of your company that are beneficially owned, directly or indirectly, or controlled or directed, by directors or executive officers through ownership or control or direction over securities of your company, do not need to be included.

“10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

(1) If a director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company:

(a) is, as at the date of the AIF or has been, within the 10 years before the date of the AIF, a director or executive officer of any company (including your company), that while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder, state the fact.

(2) 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 director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company, 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 investor in making an investment decision.

(3) Despite subsection (2), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

INSTRUCTIONS

The disclosure required by subsections (1) and (2) also applies to any personal holding companies of any of the persons referred to in subsections (1) and (2).

“10.3 Conflicts of Interest

Disclose particulars of existing or potential material conflicts of interest between your company or a subsidiary of your company and any director or officer of your company or a subsidiary of your company.

“Item 11 Promoters**“11.1 Promoters**

For a person or company that has been, within the three most recently completed financial years or during the current financial year, a promoter of your company or of a subsidiary of your company, state:

- (a) the person or company's name;
- (b) the number and percentage of each class of voting securities and equity securities of your company or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from your company or from a subsidiary of your company, and the nature and amount of any assets, services or other consideration received or to be received by your company or a subsidiary of your company in return; and
- (d) for an asset acquired within the three most recently completed financial years or during the current financial year, or an asset to be acquired, by your company or by a subsidiary of your company from a promoter:
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with your company, the promoter, or an associate or affiliate of your company or of the promoter; and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

“Item 12 Legal Proceedings**“12.1 Legal Proceedings**

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

INSTRUCTIONS

You do not need to give information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten per cent of the current assets of your company. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, you must include the amount involved in the other proceedings in computing the percentage.

“Item 13 Interest of Management and Others in Material Transactions**“13.1 Interest of Management and Others in Material Transactions**

Describe, and 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 most recently completed financial years or during the current financial year that has materially affected or will materially affect your company:

- (a) a director or executive officer of your company;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of your outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

INSTRUCTIONS

(i) The materiality of the interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to securityholders.

(ii) This Item does not apply to any interest arising from the ownership of securities of your company if the securityholder 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.

(iii) Give a brief description of the material transactions. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to your company.

(iv) For any transaction involving the purchase of assets by or sale of assets to your company or a subsidiary of your company, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.

(v) You do not need to give information under this Item for a transaction if:

(A) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(B) 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;

(C) the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or

(D) the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of your company or your company's subsidiaries.

(vi) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), 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 ten per cent of any class of equity securities of another company furnishing the services to your company or your company's subsidiaries.

“Item 14 Transfer Agents and Registrars

“14.1 Transfer Agents and Registrars

State the name of your company's transfer agent(s) and registrar(s) and the location (by municipalities) of the register(s) of transfers of each class of securities.

“Item 15 Material Contracts

“15.1 Material Contracts

(1) Give particulars of every contract, other than a contract entered into in the ordinary course of business, that is material to your company and that was entered into within the most recently completed financial year, or before the most recently completed financial year but is still in effect.

(2) You do not need to give disclosure under subsection (1) of a contract that was entered into before January 1, 2002.

INSTRUCTIONS

(i) *Whether a contract has been entered into in the ordinary course of business is a question of fact. It must be considered in the context of the company's business and the industry that it operates within.*

(ii) *Set out a complete list of all contracts for which particulars must be given under section 15.1, indicating those that are disclosed elsewhere in the AIF. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the AIF.*

(iii) *Particulars of contracts should include the dates of, parties to, consideration provided for in, and key terms of, the contracts.*

“Item 16 Interests of Experts**“16.1 Names of Experts**

Name each person or company:

(a) who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by your company during, or relating to, your company's most recently completed financial year; and

(b) whose profession or business gives authority to the statement, report or valuation made by the person or company.

“16.2 Interests of Experts

(1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of your company or of one of your associates or affiliates:

(a) held by an expert named in section 16.1 when that expert prepared the statement, report, or valuation referred to in paragraph 16.1(a);

(b) received by an expert named in section 16.1 after the time specified in paragraph 16.2(1)(a);
or

(c) to be received by an expert named in section 16.1.

(2) For the purposes of subsection (1), if the person's or company's interest in the securities represents less than one per cent of your outstanding securities of the same class, a general statement to that effect is sufficient.

(3) If a person or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of your company or of any associate or affiliate of your company, disclose the fact or expectation.

INSTRUCTIONS

(i) *If you have included a statement, report or valuation of an expert in the AIF, your company may be required by other securities legislation to obtain the consent of an expert before referring to the expert's opinion, for example under National Instrument 43-101 Standards of Disclosure for Mineral Projects and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.*

(ii) *Section 16.2 does not apply to:*

(A) auditors of a business acquired by your company provided they have not been or will not be appointed as your company's auditor subsequent to the acquisition; and

(B) your company's predecessor auditors, if any, for periods when they were not your company's auditor.

(iii) *Section 16.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

“Item 17 Additional Information**“17.1 Additional Information**

(1) Disclose that additional information relating to your company may be found on SEDAR at www.sedar.com.

(2) If your company is required to distribute a Form 51-102F5 to any of its securityholders, include a statement that additional information, including directors' and officers' remuneration and indebtedness, principal holders of your company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in your company's information circular for its most recent annual meeting of securityholders that involved the election of directors.

(3) Include a statement that additional financial information is provided in your company's financial statements and MD&A for its most recently completed financial year.

INSTRUCTIONS

Your company may also be required to provide additional information in its AIF as set out in Form 52-110F1 Audit Committee Information Required in an AIF.

Item 18 Additional Disclosure for Companies Not Sending Information Circulars**18.1 Additional Disclosure**

For companies that are not required to send a Form 51-102F5 to any of their securityholders, disclose the information required under Items 6 to 10, 12 and 13 of Form 51-102F5, as modified below, if applicable:

Form 51-102F5 ReferenceModification

Item 6 - Voting Securities and Principal Holders of Voting Securities

Include the disclosure specified in section 6.1 without regard to the phrase "entitled to be voted at the meeting". Do not include the disclosure specified in sections 6.2, 6.3 and 6.4. Include the disclosure specified in section 6.5.

Item 7 - Election of Directors

Disregard the preamble of section 7.1. Include the disclosure specified in section 7.1 without regard to the word "proposed" throughout. Do not include the disclosure specified in section 7.3.

Item 10 - Indebtedness of Directors and Executive Officers

Include the disclosure specified throughout; however, replace the phrase "date of the information circular" with "date of the AIF" throughout.

Item 12 - Appointment of Auditor

Name the auditor. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

“NATIONAL INSTRUMENT 51-102**“FORM 51-102F3
MATERIAL CHANGE REPORT****“PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION****(a) Confidentiality**

If this Report is filed on a confidential basis, state in block capitals “CONFIDENTIAL” at the beginning of the Report.

(b) Use of “Company”

Wherever this Form uses the word “company” the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Numbering and Headings

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(e) Plain Language

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

“PART 2 CONTENT OF MATERIAL CHANGE REPORT**“Item 1 Name and Address of Company**

State the full name of your company and the address of its principal office in Canada.

“Item 2 Date of Material Change

State the date of the material change.

“Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

“Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

“Item 5 Full Description of Material Change

Supplement the summary required under Item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

INSTRUCTIONS

If your company is engaged in oil and gas activities, the disclosure under Item 5 must also satisfy the requirements of Part 6 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

“Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

INSTRUCTIONS

Refer to subsections 7.1 (4),(5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) or (3) of National Instrument 51-102.

“Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information. In a separate letter to the applicable regulator or securities regulatory authority marked “Confidential” provide the reasons for your company’s omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

INSTRUCTIONS

In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 7.1(2), (3) or (5) of National Instrument 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.

“Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

“Item 9 Date of Report

Date the Report.

“NATIONAL INSTRUMENT 51-102**“FORM 51-102F4****BUSINESS ACQUISITION REPORT****“PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION****(a) What is a Business Acquisition Report?**

Your company must file a Business Acquisition Report after completing a significant acquisition. See Part 8 of National Instrument 51-102. The Business Acquisition Report describes the significant businesses acquired by your company and the effect of the acquisition on your company.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Focus on Relevant Information

When providing the disclosure required by this Form, focus your discussion on information that is relevant to an investor, analyst or other reader.

(d) Incorporating Material By Reference

You may incorporate information required by this Form, other than the financial statements or other information required by Item 3, by reference to another document. Clearly identify the referenced document, or any excerpt of it, that you incorporate into this Report. Unless the referenced document or excerpt has already been filed, you must file it with this Report.

(e) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(f) Plain Language

Write this Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

(g) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere in the Report.

“PART 2 CONTENT OF BUSINESS ACQUISITION REPORT**“Item 1 Identity of Company****“1.1 Name and Address of Company**

State the full name of your company and the address of its principal office in Canada.

“1.2 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the significant acquisition and the Report, or the name of an officer through whom such executive officer may be contacted.

“Item 2 Details of Acquisition**“2.1 Nature of Business Acquired**

Describe the nature of the business acquired.

“2.2 Date of Acquisition

State the date of acquisition used for accounting purposes.

INSTRUCTIONS

If your company is using Canadian GAAP, the date of acquisition for accounting purposes is one of the following two dates, whichever is applicable:

(a) the date the net assets or equity interests are received, and the consideration is given; or

(b) the date of the written agreement that provides that control of the acquired enterprise transferred to the acquirer, subject only to those conditions required to protect the interests of the parties involved, or the later date, if any, specified in the written agreement that such control is to be transferred.

“2.3 Consideration

Disclose the type and amount of consideration, both monetary and non-monetary, paid or payable by your company in connection with the significant acquisition, including contingent consideration. Identify the source of funds used by your company for the acquisition, including a description of any financing associated with the acquisition.

“2.4 Effect on Financial Position

Describe any plans or proposals for material changes in your business affairs or the affairs of the acquired business which may have a significant effect on the results of operations and financial position of your company. Examples include any proposal to liquidate the business, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to your business or the business acquired such as changes in corporate structure, management or personnel.

“2.5 Prior Valuations

Describe in sufficient detail any valuation opinion obtained within the last 12 months by the acquired business or your company required by securities legislation or a Canadian exchange or market to support the consideration paid by your company or any of its subsidiaries for the business, including the name of the author, the date of the opinion, the business to which the opinion relates, the value attributed to the business and the valuation methodologies used.

“2.6 Parties to Transaction

State whether the transaction is with an informed person, associate or affiliate of your company and, if so, the identity and the relationship of the other parties to your company.

“2.7 Date of Report

Date the Report.

“Item 3 Financial Statements

Include the financial statements or other information required by Part 8 of National Instrument 51-102. If applicable, disclose that the auditors have not given their consent to include their audit report in this Report.

“NATIONAL INSTRUMENT**“FORM 51-102F5
INFORMATION CIRCULAR****“PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION****(a) Timing of Information**

The information required by this Form 51-102F5 must be given as of a specified date not more than thirty days prior to the date you first send the information circular to any securityholder of the company.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Incorporating Information by Reference

You may incorporate information required to be included in your information circular by reference to another document. Clearly identify the referenced document or any excerpt of it that you incorporate into your information circular. Unless you have already filed the referenced document or excerpt, you must file it with your information circular. You must also disclose that the document is on SEDAR at www.sedar.com and that, upon request, you will promptly provide a copy of any such document free of charge to a securityholder of the company.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(e) Plain Language

Write this document so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

(f) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(g) Tables and Figures

Where it is practicable and appropriate, present information in tabular form. State all amounts in figures.

(h) Omitting Information

You do not need to respond to any item in this Form that is inapplicable. You may also omit information that is not known to the person or company on whose behalf the solicitation is made and that is not reasonably within the power of the person or company to obtain, if you briefly state the circumstances that render the information unavailable.

You may omit information that was contained in another information circular, notice of meeting or form of proxy sent to the same persons or companies whose proxies were solicited in connection with the same meeting, as long as you clearly identify the particular document containing the information.

“PART 2 CONTENT**“Item 1 Date**

Specify the date of the information circular.

“Item 2 Revocability of Proxy

State whether the person or company giving the proxy has the power to revoke it. If any right of revocation is limited or is subject to compliance with any formal procedure, briefly describe the limitation or procedure.

“Item 3 Persons Making the Solicitation

- “3.1** If a solicitation is made by or on behalf of management of the company, state this. Name any director of the company who has informed management in writing that he or she intends to oppose any action intended to be taken by management at the meeting and indicate the action that he or she intends to oppose.
- “3.2** If a solicitation is made other than by or on behalf of management of the company, state this and give the name of the person or company by whom, or on whose behalf, it is made.
- “3.3** If the solicitation is to be made other than by mail, describe the method to be employed. If the solicitation is to be made by specially engaged employees or soliciting agents, state:
- (a) the parties to and material features of any contract or arrangement for the solicitation; and
 - (b) the cost or anticipated cost thereof.
- “3.4** State who has borne or will bear, directly or indirectly, the cost of soliciting.

“Item 4 Proxy Instructions

- “4.1** The information circular or the form of proxy to which the information circular relates must indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company, if any, designated in the form of proxy and must contain instructions as to the manner in which the securityholder may exercise the right.

“4.2 The information circular or the form of proxy to which the information circular relates must state that the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for and that, if the securityholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

“Item 5 Interest of Certain Persons or Companies in Matters to be Acted Upon

Briefly describe any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons or companies in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) if the solicitation is made by or on behalf of management of the company, each person who has been a director or executive officer of the company at any time since the beginning of the company’s last financial year;
- (b) if the solicitation is made other than by or on behalf of management of the company, each person or company by whom, or on whose behalf, directly or indirectly, the solicitation is made;
- (c) each proposed nominee for election as a director of the company; and
- (d) each associate or affiliate of any of the persons or companies listed in paragraphs (a) to (c).

INSTRUCTIONS

- (i) The following persons and companies are deemed to be persons or companies by whom or on whose behalf the solicitation is made (collectively, “solicitors” or individually a “solicitor”):
 - (A) any member of a committee or group that solicits proxies, and any person or company whether or not named as a member who, acting alone or with one or more other persons or companies, directly or indirectly takes the initiative or engages in organizing, directing or financing any such committee or group;
 - (B) any person or company who contributes, or joins with another to contribute, more than \$250 to finance the solicitation of proxies; or
 - (C) any person or company who lends money, provides credit, or enters into any other arrangements, under any contract or understanding with a solicitor, for the purpose of financing or otherwise inducing the purchase, sale, holding or voting of securities of the company but not including a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.
- (ii) Subject to paragraph (i), the following persons and companies are deemed not to be solicitors:
 - (A) any person or company retained or employed by a solicitor to solicit proxies or any person or company who merely transmits proxy-soliciting material or performs ministerial or clerical duties;

(B) any person or company employed or retained by a solicitor in the capacity of lawyer, accountant, or advertising, public relations, investor relations or financial advisor and whose activities are limited to the performance of their duties in the course of the employment or retainer;

(C) any person regularly employed as an officer or employee of the company or any of its affiliates; or

(D) any officer or director of, or any person regularly employed by, any solicitor.

“Item 6 Voting Securities and Principal Holders of Voting Securities

“6.1 For each class of voting securities of the company entitled to be voted at the meeting, state the number of securities outstanding and the particulars of voting rights for each class.

“6.2 For each class of restricted securities, provide the information required in subsection 10.1(1) of National Instrument 51-102.

“6.3 Give the record date as of which the securityholders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to securityholders of record as of the specified record date, indicate the conditions under which securityholders are entitled to vote.

“6.4 If action is to be taken with respect to the election of directors and if the securityholders or any class of securityholders have the right to elect a specified number of directors or have cumulative or similar voting rights, include a statement of such rights and state briefly the conditions precedent, if any, to the exercise thereof.

“6.5 If, to the knowledge of the company’s directors or executive officers, any person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10 per cent or more of the voting rights attached to any class of voting securities of the company, name each person or company and state:

(a) the approximate number of securities beneficially owned, directly or indirectly, or controlled or directed by each such person or company; and

(b) the percentage of the class of outstanding voting securities of the company represented by the number of voting securities so owned, controlled or directed.

“Item 7 Election of Directors

“7.1 If directors are to be elected, provide the following information, in tabular form to the extent practicable, for each person proposed to be nominated for election as a director and each other person whose term of office as a director will continue after the meeting:

(a) state the name, province or state, and country of residence, of each director and proposed director;

(b) state the period or periods during which each director has served as a director and when the term of office for each director and proposed director will expire;

(c) identify the members of each committee of the board;

- (d) state the present principal occupation, business or employment of each director and proposed director. Give the name and principal business of any company in which any such employment is carried on. Furnish similar information as to all of the principal occupations, businesses or employments of each proposed director within the five preceding years, unless the proposed director is now a director and was elected to the present term of office by a vote of securityholders at a meeting, the notice of which was accompanied by an information circular;
- (e) if a director or proposed director has held more than one position in the company, or a parent or subsidiary, state only the first and last position held;
- (f) state the number of securities of each class of voting securities of the company or any of its subsidiaries beneficially owned, directly or indirectly, or controlled or directed by each proposed director;
- (g) if securities carrying 10 per cent or more of the voting rights attached to all voting securities of the company or of any of its subsidiaries are beneficially owned, directly or indirectly, or controlled or directed by any proposed director and the proposed director's associates or affiliates:
 - (i) state the number of securities of each class of voting securities beneficially owned, directly or indirectly, or controlled or directed by the associates or affiliates; and
 - (ii) name each associate or affiliate whose security holdings are 10 per cent or more.

“7.2 If a proposed director:

- (a) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director or executive officer of any company (including the company in respect of which the information circular is being prepared) that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, state the fact.

“7.3 If any proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity, name the other person or company and describe briefly the arrangement or understanding.

“Item 8 Executive Compensation

Include in this information circular a completed Form 51-102F6 *Statement of Executive Compensation*.

“Item 9 Securities Authorized for Issuance Under Equity Compensation Plans

“9.1 In the tabular form under the caption set out, provide the information specified in section 9.2 as of the end of the company’s most recently completed financial year with respect to compensation plans under which equity securities of the company are authorized for issuance, aggregated as follows:

- (a) all compensation plans previously approved by securityholders; and
- (b) all compensation plans not previously approved by securityholders.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders			
Equity compensation plans not approved by securityholders			
Total			

“9.2 Include in the table the following information as of the end of the company’s most recently completed financial year for each category of compensation plan described in section 9.1:

(a) the number of securities to be issued upon the exercise of outstanding options, warrants and rights (column (a));

(b) the weighted-average exercise price of the outstanding options, warrants and rights disclosed under subsection 9.2(a) (column (b)); and

(c) other than securities to be issued upon the exercise of the outstanding options, warrants and rights disclosed in subsection 9.2(a), the number of securities remaining available for future issuance under the plan (column (c)).

“9.3 For each compensation plan under which equity securities of the company are authorized for issuance and that was adopted without the approval of securityholders, describe briefly, in narrative form, the material features of the plan.

INSTRUCTIONS

(i) *The disclosure under Item 9 relating to compensation plans must include individual compensation arrangements.*

- (ii) Provide disclosure with respect to any compensation plan of the company (or parent, subsidiary or affiliate of the company) under which equity securities of the company are authorized for issuance to employees or non-employees (such as directors, consultants, advisors, vendors, customers, suppliers or lenders) in exchange for consideration in the form of goods or services as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook. You do not have to provide disclosure regarding any plan, contract or arrangement for the issuance of warrants or rights to all securityholders of the company on a pro rata basis (such as a rights offering).
- (iii) If more than one class of equity security is issued under the company’s compensation plans, disclose aggregate plan information for each class of security separately.
- (iv) You may aggregate information regarding individual compensation arrangements with the plan information required under subsections 9.1(a) and (b), as applicable.
- (v) You may aggregate information regarding a compensation plan assumed in connection with a merger, consolidation or other acquisition transaction pursuant to which the company may make subsequent grants or awards of its equity securities with the plan information required under subsections 9.1(a) and (b), as applicable. Disclose on an aggregated basis in a footnote to the table the information required under subsections 9.2(a) and (b) with respect to any individual options, warrants or rights outstanding under the compensation plan assumed in connection with a merger, consolidation or other acquisition transaction.
- (vi) To the extent that the number of securities remaining available for future issuance disclosed in column (c) includes securities available for future issuance under any compensation plan other than upon the exercise of an option, warrant or right, disclose the number of securities and type of plan separately for each such plan in a footnote to the table.
- (vii) If the description of a compensation plan set forth in the company’s financial statements contains the disclosure required by section 9.3, a cross-reference to the description satisfies the requirements of section 9.3.
- (viii) If an equity compensation plan contains a formula for calculating the number of securities available for issuance under the plan, including, without limitation, a formula that automatically increases the number of securities available for issuance by a percentage of the number of outstanding securities of the company, describe this formula in a footnote to the table.

“Item 10 Indebtedness of Directors and Executive Officers

“10.1 Aggregate Indebtedness

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Company or its Subsidiaries	To Another Entity
(a)	(b)	(c)
Share purchases		
Other		

(1) Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in connection with:

(a) a purchase of securities; and

(b) all other indebtedness.

(2) Report separately the indebtedness to:

(a) the company or any of its subsidiaries (column (b)); and

(b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries (column (c));

of all executive officers, directors, employees and former executive officers, directors and employees of the company or any of its subsidiaries.

(3) “Support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

“10.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During [Most Recently Completed financial Year] (\$)	Amount Outstanding as at [Date within 30 days] (\$)	Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)	Security for Indebtedness	Amount Forgiven During [Most Recently Completed Financial Year] (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Other Programs						

(1) Complete the above table for each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the company, each proposed nominee for election as a director of the company, and each associate of any such director, executive officer or proposed nominee:

(a) who is, or at any time since the beginning of the most recently completed financial year of the company has been, indebted to the company or any of its subsidiaries; or

(b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries;

and separately disclose the indebtedness for security purchase programs and all other programs.

(2) Note the following:

Column (a) - disclose the name and principal position of the borrower. If the borrower was, during the most recently completed financial year, but no longer is a director or executive officer, state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate, describe briefly the relationship of the borrower to an individual who is or, during the financial year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual.

Column (b) - disclose whether the company or a subsidiary of the company is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding.

Column (c) - disclose the largest aggregate amount of the indebtedness outstanding at any time during the most recently completed financial year.

Column (d) - disclose the aggregate amount of indebtedness outstanding as at a date within thirty days before the date of the information circular.

Column (e) - disclose separately for each class or series of securities, the sum of the number of securities purchased during the most recently completed financial year with the financial assistance (security purchase programs only).

Column (f) - disclose the security for the indebtedness, if any, provided to the company, any of its subsidiaries or the other entity (security purchase programs only).

Column (g) - disclose the total amount of indebtedness that was forgiven at any time during the most recently completed financial year.

(3) Supplement the above table with a summary discussion of:

(a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including:

(i) the nature of the transaction in which the indebtedness was incurred;

- (ii) the rate of interest;
- (iii) the term to maturity;
- (iv) any understanding, agreement or intention to limit recourse; and
- (v) any security for the indebtedness;

(b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and

(c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

“10.3 You do not need to disclose information required by this Item for any indebtedness that has been entirely repaid on or before the date of the information circular or for routine indebtedness.

“Routine indebtedness” means indebtedness described in any of the following clauses:

- (i) if the company or its subsidiary makes loans to employees generally:
 - (A) the loans are made on terms no more favourable than the terms on which loans are made by the company or its subsidiary to employees generally; and
 - (B) the amount, at any time during the last completed financial year, remaining unpaid under the loans to the director, executive officer or proposed nominee, together with his or her associates, does not exceed \$50,000;
- (ii) a loan to a person or company who is a full-time employee of the company:
 - (A) that is fully secured against the residence of the borrower; and
 - (B) the amount of which in total does not exceed the annual salary of the borrower;
- (iii) if the company or its subsidiary makes loans in the ordinary course of business, a loan made to a person or company other than a full-time employee of the company:
 - (A) on substantially the same terms, including those as to interest rate and security, as are available when a loan is made to other customers of the company or its subsidiary with comparable credit; and
 - (B) with no more than the usual risks of collectibility;
- (iv) a loan arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons, if the repayment arrangements are in accord with usual commercial practice.

“Item 11 Interest of Informed Persons in Material Transactions

Describe briefly and, where practicable, state the approximate amount of any material interest, direct or indirect, of any informed person of the company, any proposed director of the company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

INSTRUCTIONS

(i) Briefly describe the material transaction. State the name and address of each person or company whose interest in any transaction is described and the nature of the relationship giving rise to the interest.

(ii) For any transaction involving the purchase or sale of assets by or to the company or any subsidiary, other than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller, if acquired by the seller within two years prior to the transaction.

(iii) This Item does not apply to any interest arising from the ownership of securities of the company where the securityholder receives no extra or special benefit or advantage not shared on a proportionate basis by all holders of the same class of securities or by all holders of the same class of securities who are resident in Canada.

(iv) Include information as to any material underwriting discounts or commissions upon the sale of securities by the company where any of the specified persons or companies was or is to be an underwriter in a contractual relationship with the company with respect to securities or is an associate or affiliate of a person or company that was or is to be such an underwriter.

(v) You do not need to disclose the information required by this Item for any transaction or any interest in that transaction if:

(A) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(B) the interest of the specified person in the transaction is solely that of director of another company that is a party to the transaction;

(C) the transaction involves services as a bank or other depositary of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; or

(D) the transaction does not directly or indirectly, involve remuneration for services; and:

(I) 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;

(II) the transaction is in the ordinary course of business of the company or its subsidiaries; and

(III) 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 company and its subsidiaries for the most recently completed financial year.

(vi) Provide information for transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person 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 company or its subsidiaries.

“Item 12 Appointment of Auditor

Name the auditor of the company. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

If action is to be taken to replace an auditor, provide the information required under section 4.11 of National Instrument 51-102.

“Item 13 Management Contracts

If management functions of the company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the company or subsidiary:

(a) give details of the agreement or arrangement under which the management functions are performed, including the name and address of any person or company who is a party to the agreement or arrangement or who is responsible for performing the management functions;

(b) give the names and provinces of residence of any person that was, during the most recently completed financial year, an informed person of any person or company with which the company or subsidiary has any such agreement or arrangement and, if the following information is known to the directors or executive officers of the company, give the names and provinces of residence of any person or company that would be an informed person of any person or company with which the company or subsidiary has any such agreement or arrangement if the person were an issuer;

(c) for any person or company named under paragraph (a) state the amounts paid or payable by the company and its subsidiaries to the person or company since the commencement of the most recently completed financial year and give particulars; and

(d) for any person or company named under paragraph (a) or (b) and their associates or affiliates, give particulars of:

(i) any indebtedness of the person, company, associate or affiliate to the company or its subsidiaries that was outstanding; and

(ii) any transaction or arrangement of the person, company, associate or affiliate with the company or subsidiary;

at any time since the start of the company’s most recently completed financial year.

INSTRUCTIONS

- (i) *Do not refer to any matter that is relatively insignificant.*
- (ii) *In giving particulars of indebtedness, state the largest aggregate amount of indebtedness outstanding at any time during the period, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest paid or charged on the indebtedness.*
- (iii) *Do not include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other similar transactions.*

“Item 14 Particulars of Matters to be Acted Upon

- “14.1** If action is to be taken on any matter to be submitted to the meeting of securityholders other than the approval of financial statements, briefly describe the substance of the matter, or related groups of matters, except to the extent described under the foregoing items, in sufficient detail to enable reasonable securityholders to form a reasoned judgment concerning the matter. Without limiting the generality of the foregoing, such matters include alterations of share capital, charter amendments, property acquisitions or dispositions, reverse takeovers, amalgamations, mergers, arrangements or reorganizations and other similar transactions.
- “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 or a restructuring transaction under which securities are to be changed, exchanged, issued, or distributed, the information circular must include information sufficient to enable a reasonable securityholder to form a reasoned judgment concerning the nature and effect of the significant acquisition or restructuring transaction and the expected resulting entity or entities. This information must include the disclosure (including financial statement disclosure) for each entity, securities of which are being changed, exchanged, issued, or distributed, and for each entity that would result from the significant acquisition or restructuring transaction, prescribed by the form of prospectus that the entity would be eligible to use for a distribution of securities in the jurisdiction. For the purposes of this section, a restructuring transaction means a reverse takeover, amalgamation, merger, arrangement or reorganization or other similar transaction, but does not include a subdivision, consolidation, or other transaction that only affects the number of securities of a class that are outstanding. If the action is to be taken on a matter that is a reverse takeover, disclosure in this Item must include disclosure prescribed by the appropriate prospectus form for the reverse takeover acquirer.
- “14.3** If the matter is one that is not required to be submitted to a vote of securityholders, state the reasons for submitting it to securityholders and state what action management intends to take in the event of a negative vote by the securityholders.
- “14.4** Section 14.2 does not apply to an information circular that is sent to holders of voting securities of a reporting issuer soliciting proxies otherwise than on behalf of management of the reporting issuer (a “dissident circular”), unless the sender of the dissident circular is proposing a significant acquisition or restructuring transaction involving the reporting issuer and the sender, under which securities of the sender, or an affiliate of the sender, are to be distributed or transferred to securityholders of the reporting issuer. However, a sender of a dissident circular shall include in the dissident circular the disclosure required by section 14.2 if the sender of the dissident circular is proposing a significant acquisition or restructuring transaction under which securities of the sender or securities of an affiliate of the sender are to be changed, exchanged, issued or distributed.

“14.5 Section 14.2 does not apply to an information circular that is prepared in connection with a Qualifying Transaction for a company that is a CPC (as such terms are defined in the TSX Venture Exchange policy on Capital Pool Companies) provided that the company complies with the policies and requirements of the TSX Venture Exchange in respect of that Qualifying Transaction.

“Item 15 Restricted Securities

“15.1 If the action to be taken involves a transaction that would have the effect of converting or subdividing, in whole or in part, existing securities into restricted securities, or creating new restricted securities, the information circular must also include, as part of the minimum disclosure required, a detailed description of:

(a) the voting rights attached to the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the company that are the same or greater on a per security basis than those attached to the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise;

(b) the percentage of the aggregate voting rights attached to the company’s securities that are represented by the class of restricted securities;

(c) any significant provisions under applicable corporate and securities law, in particular whether the restricted securities may or may not be tendered in any takeover bid for securities of the reporting issuer having voting rights superior to those attached to the restricted securities, that do not apply to the holders of the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities; and

(d) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the transaction either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the company and to speak at the meetings to the same extent that holders of equity securities are entitled.

“15.2 If holders of restricted securities do not have all of the rights referred to in section 15.1, the detailed description referred to in section 15.1 must include, in bold-face type, a statement of the rights the holders do not have.

“Item 16 Additional Information

“16.1 Disclose that additional information relating to the company is on SEDAR at www.sedar.com. Disclose how securityholders may contact the company to request copies of the company’s financial statements and MD&A.

“16.2 Include a statement that financial information is provided in the company’s comparative financial statements and MD&A for its most recently completed financial year.

“NATIONAL INSTRUMENT 51-102**“FORM 51-102F6****STATEMENT OF EXECUTIVE COMPENSATION****“Item 1 General Instructions and Interpretation**

“1.1 The purpose of this Form is to provide disclosure of all compensation earned by certain executive officers and directors in connection with office or employment by your company or a subsidiary of your company. Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“1.2 You should prepare the Form in the prescribed format. You may omit a table or column of a table if it is not applicable.

“1.3 **Definitions** - For the purposes of this Form:

‘Chief Executive Officer’ or ‘CEO’ means each individual who served as chief executive officer of your company or acted in a similar capacity during the most recently completed financial year;

‘Chief Financial Officer’ or ‘CFO’ means each individual who served as chief financial officer of your company or acted in a similar capacity during the most recently completed financial year;

‘long-term incentive plan’ or ‘LTIP’ means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale;

‘measurement period’ means the period beginning at the ‘measurement point’ which is established by the market close on the last trading day before the beginning of your company’s fifth preceding financial year, through and including the end of your company’s most recently completed financial year. If the class or series of securities has been publicly traded for a shorter period of time, the period covered by the comparison may correspond to that time period;

‘Named Executive Officers’ or ‘NEOs’ means the following individuals:

(a) each CEO;

(b) each CFO;

(c) each of your company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and

(d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of your company at the end of the most recently completed financial year-end;

‘normal retirement age’ means normal retirement age as defined in a pension plan or, if not defined, the earliest time at which a plan participant may retire without any benefit reduction due to age;

'options' includes all options, share purchase warrants and rights granted by a company or its subsidiaries as compensation for employment services or office. An extension of an option or replacement grant is a grant of a new option. Also, options includes any grants made to a NEO by a third party or a non-subsidiary affiliate of your company in respect of services to your company or a subsidiary of your company;

'plan' includes, but is not limited to, any arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, options, SARs, phantom stock, warrants, convertible securities, shares or units that are subject to restrictions on resale, performance units and performance shares, or similar instruments may be received or purchased. It excludes the Canada Pension Plan, similar government plans and group life, health, hospitalization, medical reimbursement and relocation plans that are available generally to all salaried employees (for example, does not discriminate in scope, terms or operation in favour of executive officers or directors);

'replacement grant' means the grant of an option or SAR reasonably related to any prior or potential cancellation of an option or SAR;

'repricing' of an option or SAR means the adjustment or amendment of the exercise or base price of a previously awarded option or SAR. Any repricing occurring through the operation of a formula or mechanism in, or applicable to, the previously awarded option or SAR equally affecting all holders of the class of securities underlying the option or SAR is excluded; and

'stock appreciation right' or **'SAR'** means a right, granted by a company or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

"1.4 In preparing this Form:

- (a) **Determination of Most Highly Compensated Executive Officers.** The determination of your company's most highly compensated executive officers is based on the total annual salary and bonus of each executive officer during your company's most recently completed financial year.
- (b) **Change in Status of a NEO During the Financial Year.** If the NEO served in that capacity during any part of a financial year for which disclosure is required, disclose all of his or her compensation for the full financial year.
- (c) **Exclusion Due to Unusual Compensation or Compensation for Foreign Assignment.** In limited circumstances, you can exclude disclosure of an individual, other than a CEO or CFO, who is one of the three most highly compensated executive officers. Factors to consider in determining to exclude an individual are:
 - (i) a payment or accrual of an unusually large amount of cash compensation (such as bonus or commission) that is not part of a recurring arrangement and is unlikely to continue; or

(ii) the payment of additional amounts of cash compensation for increased living expenses due to an assignment outside of Canada.

(d) **All Compensation Covered.** This Form requires disclosure of all plan and non-plan compensation for each NEO, and each director in accordance with Item 11. Except as expressly provided, no amount, benefit or right reported as compensation for a financial year need be reported as compensation for any subsequent fiscal year.

(e) **Sources of Compensation.** Compensation to officers and directors must include compensation from the company and its subsidiaries. Also, any compensation under an understanding or agreement existing among any of the company, its subsidiaries or an officer or director of the company or its subsidiary and another entity, for the primary purpose of the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.

(f) **Compensation Furnished to Associates.** Any compensation to an associate, under an understanding or agreement among any of the company, its subsidiaries or another entity and an officer or director of the company or its subsidiary for the primary purpose of the company, its subsidiary or the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.

“Item 2 Summary Compensation Table

NEO Name and Principal Position (a)	Year (b)	Annual Compensation			Long-Term Compensation			All Other Compensation (i)
		Salary (\$) (c)	Bonus (\$) (d)	Other annual Compensation (\$) (e)	Awards		Payouts	
					Securities Under Options/SARs Granted (#) (f)	Shares or Units Subject to Resale Restrictions (\$) (g)	LTIP Payouts (\$) (h)	
CEO	XXX3 XXX2 XXX1							
CFO	XXX3 XXX2 XXX1							
A	XXX3 XXX2 XXX1							
B	XXX3 XXX2 XXX1							
C	XXX3 XXX2 XXX1							

1. Complete this table for each of the NEOs for your company’s three most recently completed financial years. Note the following:

Columns (c) and (d) - include any cash or non-cash base salary and bonus earned by the NEO. For non-cash compensation, disclose the fair market value of the compensation at the time the compensation is earned. Amounts deferred at the election of a NEO must be included in the financial year in which earned. If the amount of salary and/or bonus earned in a given financial year is not calculable, that fact must be disclosed in a footnote and the amount must be disclosed in the subsequent financial year in the column for the financial year in which earned.

Any salary or bonus earned in a covered year that was foregone, at the election of a NEO, under a program of your company under which non-cash compensation may be received in lieu of a portion of annual compensation, need not be included in the salary or bonus columns. Instead, you may disclose the non-cash compensation in the appropriate column for that year (i.e. columns (f), (g) and (i)). If the election was made under a LTIP and therefore is not reportable at the time of grant in this table, a footnote must be added to the salary or bonus column disclosing this fact and referring to the table in section 3.1.

Commissions can be treated as salary or bonus. You can add a footnote to the table to indicate that such amounts are paid under a commission arrangement and disclose details of the arrangement in the compensation committee report (Item 9).

Column (e) - disclose all other compensation of the NEO that is not properly categorized as salary or bonus, including:

(a) Perquisites and other personal benefits, securities or property, unless the aggregate amount of such compensation is less than \$50,000 and 10 per cent of the total of the annual salary and bonus of the NEO for the financial year. Generally, a perquisite is the cost or value of a personal benefit provided to the NEO that is not available to all employees. Examples of things that could be perquisites are:

- (i) car allowance;
- (ii) car lease;
- (iii) cars;
- (iv) corporate aircraft;
- (v) club membership;
- (vi) financial assistance to provide education to children of the executives;
- (vii) financial counselling;
- (viii) parking;
- (ix) tax return preparation.

The following are not considered perquisites and thus need not be reported:

- (i) contributions to professional dues;
- (ii) CPP;
- (iii) dental;
- (iv) employee relocation plans available to all employees;
- (v) group life benefits available to all employees;

(vi) long-term benefits available to all employees;

(vii) medical.

Each perquisite or other personal benefit exceeding 25 per cent of the total perquisites and other personal benefits reported for a NEO must be identified by type and amount in a footnote to column (e). Perquisites and other personal benefits must be valued on the basis of the aggregate incremental cost to your company and its subsidiaries;

(b) The above-market portion of all interest, dividends or other amounts paid concerning securities, options, stock appreciation rights (SARs), loans, deferred compensation or other obligations issued to a NEO during the financial year or payable during that period but deferred at the election of the NEO. Above-market or preferential means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties. Any above-market portion not reported in column (e) should be reported in column (i);

(c) Earnings on LTIP compensation or dividend equivalents paid during the financial year or payable during that period but deferred at the election of the NEO;

(d) Amounts reimbursed during the financial year for the payment of taxes;

(e) The difference between the price paid by a NEO for a security of your company or its subsidiaries that was purchased from your company or its subsidiaries and the fair market value of the security at the time of purchase, unless the discount was available generally, either to all securityholders or to all salaried employees of your company;

(f) The imputed interest benefits from loans provided to, or debts incurred on behalf of, the NEO by your company and its subsidiaries as computed in accordance with the *Income Tax Act* (Canada); and

(g) The amounts of loan or interest obligations of the NEO to your company, its subsidiaries or third parties that were serviced or settled by the company or its subsidiaries without the substitution of an obligation to repay the amount to the company or subsidiaries in its place.

Column (f) - includes the number of securities under option (with or without SARs awarded with the options) and, separately, the number of securities subject to freestanding SARs. The figures in this column for the most recent fiscal year should equal those reported in the table in section 4.1, column (b). These figures are not cumulative.

If at any time during the most recently completed financial year your company repriced options or freestanding SARs previously awarded to a NEO, disclose the repriced options or SARs as new options or SARs grants in column (f).

Column (g) - includes the dollar value (net of consideration paid by the NEO) of any shares or units that are subject to restrictions on resale (calculated by multiplying the closing market price of your company's freely trading shares on the date of grant by the number of stock or stock units awarded).

In a footnote to column (g) disclose:

- (i) the number and value of the aggregate holdings of shares and units that are subject to restrictions on resale at the end of the most recently completed financial year;
- (ii) for any shares or units that are subject to restrictions on resale that will vest, in whole or in part, in less than three years from the date of grant, the total number of securities awarded and the vesting schedule; and
- (iii) whether dividends or dividend equivalents will be paid on the shares and units that are subject to restrictions on resale disclosed in the column.

Column (h) – includes the dollar value of all payouts under LTIPs.

Awards of shares or units that are subject to restrictions on resale that are subject to performance-based conditions prior to vesting may be disclosed as LTIP awards under the table in section 3.1 instead of under column (g). If this approach is selected, once the share or unit vests, it must be reported as an LTIP payout in column (h).

If any specified performance target, goal or condition to payout was waived regarding any amount included in LTIP payouts, disclose this fact in a footnote to column (h).

Column (i) – must include, but is not limited to:

- (a) The amount paid, payable or accrued to a NEO for:
 - (i) the resignation, retirement or other termination of the NEO's employment with your company or one of its subsidiaries; or
 - (ii) a change in control of your company or one of its subsidiaries or a change in the NEO's responsibilities following such a change in control.
- (b) The dollar value of the above-market portion of all interest, dividends or other amounts earned during the financial year, or calculated with respect to that period, excluding amounts that are paid during that period, or payable during that period at the election of the NEO that were reported as other annual compensation in column (e). See the description for column (e), point (b) for an explanation of the above market portion.
- (c) The dollar value of amounts earned on LTIP compensation during the financial year, or calculated with respect to that period, and dividend equivalents earned during that period except that amounts paid during that period, or payable during that period at the election of the NEO must be reported as other annual compensation in column (e).
- (d) Annual contributions or other allocations by the company or its subsidiaries to vested and unvested defined contribution plans or employee savings plans. These benefits are not considered to be perquisites due to their all-inclusive nature.

(e) The dollar value of any insurance premium paid by, or on behalf of, your company or its subsidiaries during the financial year with respect to term life insurance for the benefit of a NEO. If there is an arrangement or understanding, whether formal or informal, that the NEO has received or will receive or be allocated an interest in any cash surrender value under the insurance policy, either:

(i) the full dollar value of the remainder of the premiums paid by, or on behalf of, the company or its subsidiaries; or

(ii) if the premiums will be refunded to the company or its subsidiaries on termination of the policy, the dollar value of the benefit to the NEO of the remainder of the premium paid by, or on behalf of, the company or its subsidiaries during the financial year. This benefit must be determined for the period, projected on an actuarial basis, between payment of premium and the refund.

(f) If the NEO's compensation takes the form of a contribution to assist in the NEO's purchase of shares, the amount of the contribution, unless the contribution was available generally, either to all securityholders or to all salaried employees of the company.

The same method of reporting under this paragraph must be used for each NEO. If your company changes methods of reporting from one year to the next, that fact and the reason for the change must be disclosed in a footnote to column (i).

The following need not be reported in column (i):

(i) LTIP awards and amounts received on exercise of options and SARs; and

(ii) information on defined benefit and actuarial plans.

2. The \$150,000 threshold only applies to the most recent fiscal year in determining the NEOs.
3. If, during any of the financial years covered by the table, your company or its subsidiaries did not employ a NEO for the entire financial year, disclose this fact and the number of months the NEO was so employed during the year in a footnote to the table.
4. If during any of the financial years covered by the table, a NEO was compensated by a non-subsidiary affiliate of your company, disclose in a note to the table:
 - (a) the amount and nature of such compensation; and
 - (b) whether the compensation is included in the compensation reported in the table.
5. Information with respect to a financial year-end prior to the most recently completed financial year-end need not be provided if your company was not a reporting issuer at any time during such prior financial year.

“Item 3 LTIP Awards Table**“3.1 LTIP - Awards In Most Recently Completed Financial Year**

NEO Name (a)	Securities, Units or Other Rights (#) (b)	Performance or Other Period Until Maturation or Payout (c)	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
			Threshold (\$ or #) (d)	Target (\$ or #) (e)	Maximum (\$ or #) (f)
CEO					
CFO					
A					
B					
C					

1. Complete this table for each LTIP award made to the NEOs during the most recently completed financial year. Note the following:

Column (b) - Include the number of securities, units or other rights awarded under any LTIP and, if applicable, the number of securities underlying any such unit or right.

Columns (d) to (f) - For plans not based on stock price, the dollar value of the estimated payout or range estimated payouts under the award (threshold, target and maximum amount), whether such award is denominated in stock or cash.

Threshold is the minimum amount payable for a certain level of performance under the plan.

Target is the amount payable if the specified performance target(s) is reached. You should provide a representative amount based on the previous financial year's performance if the target award is not determinable.

Maximum is the maximum payout possible under the plan.

2. Describe in a footnote to the table, the material terms of any award, including a general description of the formula or criteria applied in determining the amounts payable. You are not required to disclose confidential information that would adversely affect your company's competitive position.
3. A grant of two instruments in conjunction with each other, only one of which is under an LTIP, need be reported only in the table applicable to the other instrument.

“Item 4 Options and SARs**“4.1 Option/SAR Grants During the Most Recently Completed Financial Year**

NEO Name (a)	Securities, Under Options/ SARs Granted (#) (b)	Per cent of Total Options/ SARs Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) (e)	Expiration Date (f)
CEO					
CFO					
A					
B					
C					

1. Complete this table for individual grants of options to purchase or acquire securities of your company or any of its subsidiaries (whether or not in conjunction with SARs) and freestanding SARs made during the most recently completed financial year to each of NEO. Note the following:

The information must be presented for each NEO in groups according to each issuer and class or series of security underlying the options or SARs granted and within these groups in reverse chronological order. For each grant, disclose in a footnote the issuer and the class or series of securities underlying the options or freestanding SARs granted.

If more than one grant of options or freestanding SARs was made to a NEO during the most recently completed financial year, a separate row must be used to provide the particulars of each grant. However, multiple grants during a single financial year to a NEO can be aggregated if each grant was made on the same terms (eg. exercise price, expiration date and vesting thresholds, if any).

A single grant of options or freestanding SARs must be reported as separate grants for each tranche with a different exercise or base price, expiration date or performance-vesting threshold.

Each material term of the grant, including but not limited to the date of exercisability, the number of SARs, dividend equivalents, performance units or other instruments granted in conjunction with options, a performance-based condition to exercisability, a re-load feature or a tax-reimbursement feature must be disclosed in a footnote to the table.

Options or freestanding SARs granted in an option repricing transaction must be disclosed.

If the exercise or base price is adjustable over the term of an option or freestanding SAR in accordance with a prescribed standard or formula, include in a footnote to the table, a description of the standard or formula.

If any provision of an option or SAR (other than an anti-dilution provision) could cause the exercise or base price to be lowered, a description of the provision and its potential consequences must be included in a footnote to the table.

In determining the grant date market value of the securities underlying options or freestanding SARs, use either the closing market price or any other formula prescribed under the option or SAR plan. For options or SARs granted prior to the establishment of a trading market in the underlying securities, the initial offering price may be used.

“4.2 Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

NEO Name (a)	Securities, Acquired on Exercise (#) (b)	Aggregate Value Realized (\$) (c)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable (d)	Value of Unexercised in-the-Money Options/SARs at FY- End (\$) Exercisable/ Unexercisable (e)
CEO				
CFO				
A				
B				
C				

1. Complete this table for each exercise of options (or SARs awarded with the options) and freestanding SARs during the most recently completed financial year by each NEO and the financial year-end value of unexercised options and SARs, on an aggregated basis. Note the following:

(i) Column (c) - the aggregate dollar value realized upon exercise. The dollar value is equal to column (b) times the difference between the market value of the securities underlying the options or SARs at exercise or financial year-end, respectively, and the exercise or base price of the options or SARs.

(ii) Column (d) - the total number of securities underlying unexercised options and SARs held at the end of the most recently completed financial year, separately identifying the exercisable and unexercisable options and SARs.

(iii) Column (e) - the aggregate dollar value of in-the-money, unexercised options and SARs held at the end of the financial year, separately identifying the exercisable and unexercisable options and SARs. The dollar value is calculated the same way as in column (c). Options or freestanding SARs are in-the-money at financial year-end if the market value of the underlying securities on that date exceeds the exercise or base price of the option or SAR.

“Item 5 Option and SAR Repricings**“5.1 Table of Option and SAR Repricings**

NEO Name (a)	Date of Repricing (b)	Securities Under Options/SARs Repriced or Amended (#) (c)	Market Price of Securities at Time of Repricing or Amendment (\$/Security) (d)	Exercise Price at Time of Repricing or Amendment (\$/Security) (e)	New Exercise Price (\$/Security) (f)	Length of Original Option Term Remaining at Date of Repricing or Amendment (g)
CEO						
CFO						
A						
B						
C						

1. Complete this table if at any time during the most recently completed financial year, your company has repriced downward any options or freestanding SARs held by any NEO.
2. State the following information for all downward repricings of options or SARs held by any NEO during the shorter of:
 - (a) the 10 year period ending on the date of this Form; and
 - (b) the period during which your company has been a reporting issuer.
3. Information about a replacement grant made during the financial year must be disclosed even if the corresponding original grant was cancelled in a prior year. If the replacement grant is not made at the current market value, describe this fact and the terms of the grant in a footnote to the table.
4. The information must be presented in groups according to issuer and class or series of security underlying options or SARs and within these groups in reverse chronological order.
5. In a narrative immediately before or after this table, explain in reasonable detail the basis for all downward repricings during the most recently completed financial year of options and SARs held by any of the NEOs.

“Item 6 Defined Benefit or Actuarial Plan Disclosure**“6.1 Pension Plan Table**

Remuneration (\$)	Years of Service				
	15	20	25	30	35
125,000					
150,000					
175,000					
200,000					
225,000					
250,000					
300,000					
400,000					
[insert additional rows as appropriate for additional increments]					

1. Complete this table for defined benefit or actuarial plans under which benefits are determined primarily by final compensation (or average final compensation) and years of service. The estimated annual benefits payable upon retirement (including amounts attributable to any defined benefit supplementary or excess pension awards plan) for the specified compensation and years of service should be disclosed.
2. Immediately following the table disclose:
 - (a) the compensation covered by the plan(s), including the relationship of the covered compensation to the compensation reported in the table in section 2.1;
 - (b) the current compensation covered by the plan for any NEO whose total compensation differs substantially (by more than 10 per cent) from that set out in the table in section 2.1;
 - (c) a statement as to the basis upon which benefits are computed (for example; straight-life annuity amounts), and whether or not the benefits listed in the table are subject to any deduction for social security or other offset amounts such as Canada Pension Plan or Québec Pension Plan amounts; and
 - (d) the estimated credited years of service for each NEO.

3. Compensation disclosed in the table must allow for reasonable increases in existing compensation levels or, alternately, you may present, as the highest compensation level in the table, an amount equal to 120 per cent of the amount of covered compensation of the most highly compensated of the NEOs.
4. For defined benefit or actuarial plans which are not reported in the table in section 6.1 because the benefits are not determined primarily by final compensation (or average final compensation) or years of service, state in narrative form:
 - (a) the formula by which benefits are determined; and
 - (b) the estimated annual benefits payable upon retirement at normal retirement age for each of the NEOs.

“Item 7 Termination of Employment, Change in Responsibilities and Employment Contracts

- “7.1** Describe the terms and conditions, including dollar amounts, of each of the following contracts or arrangements which are in existence at the end of the most recently completed financial year:
- (a) any employment contract between your company or its subsidiaries and a NEO; and
 - (b) any compensatory plan, contract or arrangement, where a NEO is entitled to receive more than \$100,000 from the issuer or its subsidiaries, including periodic payments or instalments, in the event of:
 - (i) the resignation, retirement or any other termination of the NEO’s employment with your company and its subsidiaries;
 - (ii) a change of control of your company or any of its subsidiaries; or
 - (iii) a change in the NEO’s responsibilities following a change in control.

- “7.2** A cross reference to disclosure already made of any payments, instalments or contributions to defined benefit pension plans under Items 2 or 6 is permitted.

“Item 8 Composition of the Compensation Committee

- “8.1** If any compensation is reported in Items 2 to 6 for the most recently completed financial year, under the caption “Composition of the Compensation Committee”, identify each member of your company’s compensation committee (or other board committee performing equivalent functions or in the absence of any such committee, the entire board of directors) during the most recently completed financial year. Also, indicate each committee member who:
- (a) was, during the most recently completed financial year, an officer or employee of your company or any of its subsidiaries;
 - (b) was formerly an officer of your company or any of its subsidiaries;
 - (c) had or has any relationship that requires disclosure by your company under Form 51-102F5 *Information Circular*, Item 10 “Indebtedness of Directors and Executive Officers” and Item 11 “Interest of Informed Persons in Material Transactions”;

(d) was an executive officer of your company and also served as a director or member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another issuer, one of whose executive officers served either:

(i) on the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of the issuer; or

(ii) as a director of the issuer.

“8.2 If the composition of the compensation committee changed during the year or before the report in Item 9 “Report on Executive Compensation” is prepared, then disclose the change in membership as well as any of the relationships described in section 8.1, if any.

“Item 9 Report on Executive Compensation

“9.1 If any compensation is reported in Items 2 to 6 for the most recently completed financial year, describe under the caption “Report on Executive Compensation” the policies of the compensation committee or other board committee performing equivalent functions, or in the absence of any such committee then of the entire board of directors of your company, during the most recently completed financial year, for determining compensation of executive officers. Boilerplate language should be avoided.

“9.2 This report should include a discussion of:

(a) the relative emphasis of your company on cash compensation, options, SARs, securities purchase programs, shares or units that are subject to restrictions on resale and other incentive plans, and annual versus long-term compensation;

(b) whether the amount and terms of outstanding options, SARs, shares and units subject to restrictions on resale were taken into account when determining whether and how many new option grants would be made;

(c) the specific relationship of your company’s performance to executive compensation, and, in particular, describing each measure of your company’s performance, whether quantitative or qualitative, on which executive compensation was based and the weight assigned to each measure, e.g. percentage ranges; and

(d) the waiver or adjustment of the relevant performance criteria and the bases for the decision if an award was made to a NEO under a performance-based plan despite failure to meet the relevant performance criteria. For example, you should explain how bonuses are earned and why they were awarded this period, if applicable.

“9.3 The report should state the following information about each CEO’s compensation:

(a) the bases for the CEO’s compensation for the most recently completed financial year, including the factors and criteria upon which the CEO’s compensation was based and the relative weight assigned to each factor;

(b) the competitive rates, if compensation of the CEO was based on assessments of competitive rates, with whom the comparison was made, the nature of, and the basis for, selecting the group with which the comparison was made and at what level in the group the compensation was placed. Disclose if different competitive standards were used for different components of the CEO's compensation; and

(c) the relationship of your company's performance to the CEO's compensation for the most recently completed financial year, describing each measure of your company's performance, whether quantitative or qualitative, on which the CEO's compensation was based and the weight assigned to each measure, for example, percentage ranges.

"9.4 Name each member of your company's compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors). If the board of directors modified or rejected in any material way any action or recommendation by the committee with respect to decisions in the most recently completed financial year, the report should indicate this fact, explain the reasons for the board's action and include the names of all of the members of the board.

"9.5 If a compensation committee member dissents concerning the content of the report, the report must identify the dissenting member and the reasons provided to the committee for the dissent.

"9.6 Disclosure of target levels with respect to specific quantitative or qualitative performance-related factors considered by the committee (or board), or any factors or criteria involving confidential information is not required.

"9.7 If compensation of executive officers is determined by different board committees, a joint report may be presented indicating the separate committee's responsibilities and members of each committee or alternatively separate reports may be prepared for each committee.

"Item 10 Performance Graph

"10.1 If any compensation is reported in response to Items 2 to 6 for the most recently completed financial year, immediately after Item 9, provide a line graph called "Performance Graph" comparing:

(a) the yearly percentage change in your company's cumulative total shareholder return on each class or series of equity securities that are publicly traded, as measured in accordance with section 10.2; with:

(b) the cumulative total return of a broad equity market index assuming reinvestment of dividends, that includes issuers whose securities are traded on the same exchange or are of comparable market capitalization, provided that, if your company is within the S&P/TSX Composite Index, you must use the total return index value of the S&P/TSX Composite Index.

"10.2 The yearly percentage change in your company's cumulative total shareholder return on a class or series of securities must be measured by dividing:

(a) the sum of:

- (i) the cumulative amount of dividends for the measurement period, assuming dividend reinvestment; and
 - (ii) the difference between the price for the securities of the class or series at the end and the beginning of the measurement period; by
- (b) the price for the securities of the class or series at the beginning of the measurement period.

At the measurement point, which is the beginning of the measurement period, the closing price must be converted into a fixed investment of \$100 in your company's securities (or in the securities represented by a given index), with cumulative returns for each subsequent financial year measured as a change from that investment.

“10.3 In preparing the required graphic comparisons:

- (a) use, to the extent feasible, comparable methods of presentation and assumptions for the total return calculations, provided that, if your company constructs its own peer group index under section 10.5(b), the same methodology must be used in calculating both your company's total return and that of the peer group index;
- (b) assume the reinvestment of dividends into additional securities of the same class or series at the frequency with which dividends are paid on the securities during the applicable financial year; and
- (c) each financial year should be plotted with points showing the cumulative total return as of that point. The value of the investment as of each point plotted on a given return line is the number of securities held at that point multiplied by the then-prevailing security price.

“10.4 You must present information for your company's last five most recently completed financial years, and may choose to graph a longer period but the \$100 measurement point remains the same. A period shorter than five years may be used if the class or series of securities forming the basis for the comparison has been publicly traded for a shorter time period.

“10.5 You also may elect to include in the graph a line charting the cumulative total return, assuming reinvestment of dividends; of:

- (a) a published industry or line-of-business index which is any index that is prepared by a party other than your company or its affiliate and is accessible to your company's securityholders, provided that, you may use an index prepared by your company or its affiliate if such index is widely recognized and used;
- (b) peer issuer(s) selected in good faith. If you do not select your company's peer issuers on an industry or line-of-business basis, you must disclose the basis for your selection; or
- (c) issuer(s) with similar market capitalization(s), but only if you do not use a published industry or line-of-business index and do not believe you can reasonably identify a peer group. If you use this alternative, the graph must be accompanied by a statement of the reasons for this selection.

- “10.6** If you use peer issuer comparisons or comparisons with issuers with similar market capitalizations, the identity of those issuers must be disclosed and the returns of each component issuer of the group must be weighted according to the respective issuer’s market capitalization at the beginning of each period for which a return is indicated.
- “10.7** Any election to use an additional index under section 10.5 is considered to apply in respect of all subsequent financial years unless abandoned by your company in accordance with this section. To abandon the index, your company must have, in the information circular or AIF for the financial year immediately preceding the most recently completed financial year:
- (a) stated its intention to abandon the index;
 - (b) explained the reason(s) for this change; and
 - (c) compared your company’s total return with that of the elected additional index.
- “10.8** You may include comparisons using performance measures in addition to total return, such as return on average common shareholders’ equity, so long as your company’s compensation committee (or other board committee performing equivalent functions or in the absence of any such committee the entire board of directors) describes the link between that measure and the level of executive compensation in the report required by Item 9.

“Item 11 Compensation of Directors

“11.1 Disclose the following under the “Compensation of Directors” heading:

- (a) any standard compensation arrangements, stating amounts, earned by directors of your company for their services as directors from your company and its subsidiaries during the most recently completed financial year, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangements, stating the amounts paid and the name of the director, under which directors were compensated for their services as directors from your company and its subsidiaries during the most recently completed financial year; and
- (c) any other arrangements, stating the amounts paid and the name of the director, under which directors of your company were compensated for services as consultants or experts, by your company and its subsidiaries during the most recently completed financial year.

“11.2 If information required by section 11.1 is provided in response to another item of this Form, a cross-reference to where the information is provided satisfies section 11.1.

“Item 12 Unincorporated Issuers

“12.1 Unincorporated issuers must report

- (a) a description of and amount of fees or other compensation paid by the issuer to individuals acting as directors or trustees of the issuer for the most recently completed financial year; and

(b) a description of and amount of expenses reimbursed by the issuer to such individuals as directors or trustees during the most recently completed financial year.

“12.2 The information required by this Item may be disclosed in the issuer’s annual financial statements instead.

“Item 13 **Venture Issuers**

“13.1 A venture issuer may omit the disclosure required by Items 5, 6, 8, 9 and 10. A venture issuer must, in a narrative that accompanies the table required in section 4.1, disclose which grants of options or SARs result from repricing and explain in reasonable detail the basis for the repricing.

“Item 14 **Issuers Reporting in the United States**

“14.1 Except as provided in section 14.2, SEC issuers may satisfy the requirements of this Form by providing the information required by Item 402 “Executive Compensation” of Regulation S-K under the 1934 Act.

“14.2 Section 14.1 is not available to an issuer that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B “Compensation” and 6.E.2 “Share Ownership” of Form 20-F under the 1934 Act.

“PART XXXVII
[clause 2(kk)]

“NATIONAL INSTRUMENT 52-107
ACCEPTABLE ACCOUNTING PRINCIPLES,
AUDITING STANDARDS AND REPORTING CURRENCY

“PART 1 **DEFINITIONS AND INTERPRETATION**

“1.1 **Definitions** - In this Instrument:

‘**accounting principles**’ mean a body of accounting principles that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and include, without limitation, Canadian GAAP, U.S. GAAP and International Financial Reporting Standards;

‘**acquisition statements**’ means the financial statements of an acquired business or a business to be acquired, or operating statements for an oil and gas property that is an acquired business or a business to be acquired, that are required to be filed under National Instrument 51-102 or that are included in a prospectus;

‘**auditing standards**’ mean a body of auditing standards that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and include, without limitation, Canadian GAAS, U.S. GAAS and International Standards on Auditing;

‘**business acquisition report**’ means a completed Form 51-102F4 *Business Acquisition Report*;

‘convertible security’ means a security of an issuer that is convertible into, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of the same issuer;

‘credit support issuer’ means an issuer of securities for which a credit supporter has provided a guarantee;

‘credit supporter’ means a person or company that provides a guarantee for any of the payments to be made by an issuer of securities as stipulated in the terms of the securities or in an agreement governing rights of, or granting rights to, holders of the securities;

‘designated foreign issuer’ means a foreign issuer:

- (a) that does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act;
- (b) that is subject to foreign disclosure requirements; and
- (c) for which the total number of equity securities owned, directly or indirectly, by residents of Canada does not exceed ten per cent, on a fully-diluted basis, of the total number of equity securities of the issuer, calculated in accordance with sections 1.2 and 1.3;

‘designated foreign jurisdiction’ means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

‘exchangeable security’ means a security of an issuer that is exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of another issuer;

‘exchange-traded security’ means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

‘executive officer’ with respect to a person or company means an individual who is:

- (a) a chair of the person or company;
- (b) a vice-chair of the person or company;
- (c) the president of the person or company;
- (d) a vice-president of the person or company in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the person or company or any of its subsidiaries who performed a policy-making function in respect of the person or company; or
- (f) any other individual who performed a policy-making function in respect of the person or company;

'foreign disclosure requirements' means the requirements to which a foreign issuer is subject concerning disclosure made to the public, to securityholders of the issuer, or to a foreign regulatory authority:

- (a) relating to the foreign issuer and the trading in its securities; and
- (b) that is made publicly available in the foreign jurisdiction under:
 - (i) the securities laws of the foreign jurisdiction in which the principal trading market of the foreign issuer is located; or
 - (ii) the rules of the marketplace that is the principal trading market of the foreign issuer;

'foreign issuer' means an issuer, other than an investment fund, that is incorporated or organized under the laws of a foreign jurisdiction; unless:

- (a) outstanding voting securities of the issuer carrying more than 50 per cent of the votes for the election of directors are owned, directly or indirectly, by residents of Canada; and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada;
 - (ii) more than 50 per cent of the consolidated assets of the issuer are located in Canada; or
 - (iii) the business of the issuer is administered principally in Canada;

'foreign registrant' means a registrant that is incorporated or organized under the laws of a foreign jurisdiction, except a registrant that satisfies the following conditions:

- (a) outstanding voting securities of the registrant carrying more than 50 per cent of the votes for the election of directors are owned, directly or indirectly, by residents of Canada; and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the registrant are residents of Canada;
 - (ii) more than 50 per cent of the consolidated assets of the registrant are located in Canada; or
 - (iii) the business of the registrant is administered principally in Canada;

'foreign regulatory authority' means a securities commission, exchange or other securities market regulatory authority in a designated foreign jurisdiction;

'inter-dealer bond broker' means a person or company that is approved by the Investment Dealers Association under IDA By-Law No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to IDA By-Law No. 36 and IDA Regulation 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

'investment fund' means a mutual fund or a non-redeemable investment fund;

'issuer's GAAP' means the accounting principles used to prepare an issuer's financial statements, as permitted by this Instrument;

'marketplace' means:

- (a) an exchange;
- (b) a quotation and trade reporting system;
- (c) a person or company not included in paragraph (a) or (b) that:
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;
 - (ii) brings together the orders for securities of multiple buyers and sellers; and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade; or
- (d) a dealer that executes a trade of an exchange-traded security outside of a marketplace;

but does not include an inter-dealer bond broker;

'multiple convertible security' means a security of an issuer that is convertible into; or exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

'National Instrument 51-102' means National Instrument 51-102 *Continuous Disclosure Obligations*;

'National Instrument 71-102' means National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

'non-redeemable investment fund' means any issuer:

- (a) where contributions of security holders are pooled for investment;
- (b) where security holders do not have day-to-day control over the management and investment decisions of the issuer, whether or not they have the right to be consulted or to give directions; and

(c) whose securities do not entitle the security holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the issuer;

‘principal trading market’ means the published market on which the largest trading volume in the equity securities of the issuer occurred during the issuer's most recently completed financial year that ended before the date the determination is being made;

‘public enterprise’ means a public enterprise determined with reference to the Handbook;

‘published market’ means, for a class of securities, a marketplace on which the securities have traded that discloses, regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means, the prices at which those securities have traded;

‘recognized exchange’ means:

(a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange; and

(b) in every other jurisdiction of Canada, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

‘recognized quotation and trade reporting system’ means:

(a) in every jurisdiction of Canada other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and

(b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

‘SEC issuer’ means an issuer that:

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act* of 1940 of the United States of America, as amended;

‘SEC foreign issuer’ means a foreign issuer that is also an SEC issuer;

‘underlying security’ means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security;

‘U.S. GAAP’ means generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support, as supplemented by Regulation S-X and Regulation S-B under the 1934 Act; and

'U.S. GAAS' means generally accepted auditing standards in the United States of America, as supplemented by the SEC's rules on auditor independence.

"1.2 Determination of Canadian Shareholders for Calculation of Designated Foreign Issuer and Foreign Issuer

(1) For the purposes of paragraph (c) of the definition of 'designated foreign issuer' and paragraph 5.1(c), a reference to equity securities owned, directly or indirectly, by residents of Canada; includes:

- (a) the underlying securities that are equity securities of the foreign issuer; and
- (b) the equity securities of the foreign issuer represented by an American depository receipt or an American depository share issued by a depository holding equity securities of the foreign issuer.

(2) For the purposes of paragraph (a) of the definition of 'foreign issuer', securities represented by American depository receipts or American depository shares issued by a depository holding voting securities of the foreign issuer must be included as outstanding in determining both the number of votes attached to securities owned, directly or indirectly, by residents of Canada and the number of votes attached to all of the issuer's outstanding voting securities.

"1.3 Timing for Calculation of Designated Foreign Issuer, Foreign Issuer and Foreign Registrant - For the purposes of paragraph (c) of the definition of 'designated foreign issuer', paragraph (a) of the definition of 'foreign issuer' and paragraph (a) of the definition of 'foreign registrant', the calculation is made:

- (a) if the issuer has not completed one financial year, on the earlier of:
 - (i) the date that is 90 days before the date of its prospectus; and
 - (ii) the date that it became a reporting issuer; and
- (b) for all other issuers and for registrants, on the first day of the most recent financial year or year-to-date interim period for which operating results are presented in the financial statements filed or included in the issuer's prospectus.

"1.4 Interpretation

- (1) **Interpretation of 'prospectus'** - For the purposes of this Instrument, a reference to 'prospectus' includes a preliminary prospectus, a prospectus, an amendment to a preliminary prospectus and an amendment to a prospectus.
- (2) **Interpretation of 'included'** - For the purposes of this Instrument, a reference to information being 'included in' another document means information reproduced in the document or incorporated into the document by reference.

“PART 2 APPLICATION**“2.1 Application**

- (1) This Instrument does not apply to investment funds.
- (2) This Instrument applies to:
 - (a) all annual and interim financial statements delivered by registrants to the securities regulatory authority;
 - (b) all annual, interim and *pro forma* financial statements filed, or included in a document that is filed, under National Instrument 51-102 or National Instrument 71-102;
 - (c) all annual, interim and *pro forma* financial statements included in a prospectus or a take-overbid circular filed, or included in a document that is filed;
 - (d) any operating statements for an oil and gas property that is an acquired business or a business to be acquired, that are filed under National Instrument 51-102 or that are included in a prospectus or a take-over bid circular filed, or included in a document that is filed;
 - (e) any other annual, interim or *pro forma* financial statement filed by a reporting issuer; and
 - (f) financial information that is filed under National Instrument 51-102 or that is included in a prospectus or a take-over bid circular filed, or included in a document that is filed, that is:
 - (i) derived from a credit support issuer’s consolidated financial statements; or
 - (ii) summarized financial information as to the assets, liabilities and results of operations of a business relating to an acquisition that is, or will be, an investment accounted for by the issuer using the equity method.

“PART 3 GENERAL RULES**“3.1 Acceptable Accounting Principles**

- (1) Financial statements, other than acquisition statements, must be prepared in accordance with Canadian GAAP as applicable to public enterprises.
- (2) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.
- (3) The notes to the financial statements must identify the accounting principles used to prepare the financial statements.

“3.2 Acceptable Auditing Standards - Financial statements, other than acquisition statements, that are required by securities legislation to be audited must be audited in accordance with Canadian GAAS and be accompanied by an auditor’s report that:

- (a) does not contain a reservation;

- (b) identifies all financial periods presented for which the auditor has issued an auditor's report;
- (c) refers to the former auditor's reports on the comparative periods, if the issuer or registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor; and
- (d) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

“3.3 Acceptable Auditors - An auditor's report filed by an issuer or registrant must be prepared and signed by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

“3.4 Measurement and Reporting Currencies

- (1) The reporting currency must be disclosed on the face page of the financial statements or in the notes to the financial statements unless the financial statements are prepared in accordance with Canadian GAAP and the reporting currency is the Canadian dollar.
- (2) The notes to the financial statements must disclose the measurement currency if it is different than the reporting currency.

“3.5 Financial Information Derived from a Credit Support Issuer's Consolidated Financial Statements - If a credit support issuer files, or includes in a prospectus, financial information derived from the credit support issuer's consolidated financial statements:

- (a) the credit support issuer's consolidated financial statements must be prepared in accordance with Canadian GAAP as applicable to public enterprises for all periods presented in the financial statements and in the case of annual audited consolidated financial statements:
 - (i) be audited in accordance with Canadian GAAS; and
 - (ii) be accompanied by an auditor's report that:
 - (A) does not contain a reservation; and
 - (B) is prepared and signed by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction;
- (b) the financial information must disclose that the credit support issuer's consolidated financial statements from which the financial information is derived were prepared in accordance with Canadian GAAP as applicable to public enterprises; and

(c) the financial information must disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency.

“PART 4 EXEMPTIONS FOR SEC ISSUERS

“4.1 Acceptable Accounting Principles for SEC Issuers

(1) Despite subsections 3.1(1) and 3.1(2), financial statements filed by an SEC issuer, other than acquisition statements, may be prepared in accordance with U.S. GAAP provided that, if the SEC issuer previously filed or included in a prospectus financial statements prepared in accordance with Canadian GAAP, the SEC issuer complies with the following:

(a) the notes to the first two sets of the issuer’s annual financial statements after the change from Canadian GAAP to U.S. GAAP and the notes to the issuer’s interim financial statements for interim periods during those two years:

(i) explain the material differences between Canadian GAAP as applicable to public enterprises and U.S. GAAP that relate to recognition, measurement and presentation;

(ii) quantify the effect of material differences between Canadian GAAP as applicable to public enterprises and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP as applicable to public enterprises; and

(iii) provide disclosure consistent with disclosure requirements of Canadian GAAP as applicable to public enterprises to the extent not already reflected in the financial statements;

(b) financial information for any comparative periods that were previously reported in accordance with Canadian GAAP are presented as follows:

(i) as previously reported in accordance with Canadian GAAP;

(ii) as restated and presented in accordance with U.S. GAAP; and

(iii) supported by an accompanying note that:

(A) explains the material differences between Canadian GAAP and U.S. GAAP that relate to recognition, measurement and presentation; and

(B) quantifies the effect of material differences between Canadian GAAP and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income as previously reported in the financial statements in accordance with Canadian GAAP and net income as restated and presented in accordance with U.S. GAAP; and

(c) if the SEC issuer has filed financial statements prepared in accordance with Canadian GAAP for one or more interim periods of the current year, those interim financial statements are restated in accordance with U.S. GAAP and comply with paragraphs (a) and (b).

(2) The comparative information specified in subparagraph 4.1(1)(b)(i) may be presented on the face of the balance sheet and statements of income and cash flows or in the note to the financial statements required by subparagraph 4.1(1)(b)(iii).

“4.2 Acceptable Auditing Standards for SEC Issuers - Despite section 3.2, financial statements filed by an SEC issuer, other than acquisition statements, that are required by securities legislation to be audited may be audited in accordance with US GAAS if the financial statements are accompanied by an auditor’s report prepared in accordance with U.S. GAAS that:

(a) contains an unqualified opinion;

(b) identifies all financial periods presented for which the auditor has issued an auditor's report;

(c) refers to the former auditor’s reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor; and

(d) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

“PART 5 EXEMPTIONS FOR FOREIGN ISSUERS

“5.1 Acceptable Accounting Principles for Foreign Issuers - Despite subsection 3.1(1), financial statements filed by a foreign issuer, other than acquisition statements, may be prepared in accordance with:

(a) U.S. GAAP, if the issuer is an SEC foreign issuer;

(b) International Financial Reporting Standards;

(c) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:

(i) the issuer is an SEC foreign issuer;

(ii) on the last day of the most recently completed financial year the total number of equity securities owned directly or indirectly by residents of Canada does not exceed ten per cent, on a fully-diluted basis, of the total number of equity securities of the issuer; and

(iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;

- (d) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer; or
- (e) accounting principles that cover substantially the same core subject matter as Canadian GAAP, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements:
 - (i) explain the material differences between Canadian GAAP applicable to public enterprises and the accounting principles used that relate to recognition, measurement and presentation;
 - (ii) quantify the effect of material differences between Canadian GAAP applicable to public enterprises and the accounting principles used that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the issuer's financial statements and net income computed in accordance with Canadian GAAP applicable to public enterprises; and
 - (iii) provide disclosure consistent with Canadian GAAP applicable to public enterprises requirements to the extent not already reflected in the financial statements.

“5.2 Acceptable Auditing Standards for Foreign Issuers - Despite section 3.2, financial statements filed by a foreign issuer, other than acquisition statements, that are required by securities legislation to be audited may be audited in accordance with:

- (a) U.S. GAAS if the auditor’s report contains an unqualified opinion;
- (b) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would not contain a reservation; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer;

if the financial statements are accompanied by an auditor’s report prepared in accordance with the same auditing standards used to audit the financial statements and the auditor’s report identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

“PART 6 REQUIREMENTS FOR ACQUISITION STATEMENTS

“6.1 Acceptable Accounting Principles for Acquisition Statements

- (1) Acquisition statements included in a business acquisition report or included in a prospectus must be prepared in accordance with any of the following accounting principles:
 - (a) Canadian GAAP applicable to public enterprises;

- (b) U.S. GAAP;
 - (c) International Financial Reporting Standards;
 - (d) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:
 - (i) the issuer or the acquired business is an SEC foreign issuer;
 - (ii) on the last day of the most recently completed financial year the total number of equity securities owned directly or indirectly by residents of Canada does not exceed ten per cent, on a fully-diluted basis, of the total number of equity securities of the SEC foreign issuer; and
 - (ii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
 - (e) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer or the acquired business is subject, if the issuer or the acquired business is a designated foreign issuer; or
 - (f) accounting principles that cover substantially the same core subject matter as Canadian GAAP, including recognition and measurement principles and disclosure requirements.
- (2) Acquisition statements must be prepared in accordance with the same accounting principles for all periods presented.
- (3) The notes to the acquisition statements must identify the accounting principles used to prepare the acquisition statements.
- (4) If acquisition statements are prepared using accounting principles that are different from the issuer's GAAP, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be reconciled to the issuer's GAAP and the notes to the acquisition statements must:
- (a) explain the material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement, and presentation;
 - (b) quantify the effect of material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with the issuer's GAAP; and
 - (c) provide disclosure consistent with the issuer's GAAP to the extent not already reflected in the acquisition statements.

(5) Despite subsections (1) and (4), if the issuer is required to reconcile its financial statements to Canadian GAAP, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be:

- (a) prepared in accordance with Canadian GAAP applicable to public enterprises; or
- (b) reconciled to Canadian GAAP applicable to public enterprises and the notes to the acquisition statements must:
 - (i) explain the material differences between Canadian GAAP applicable to public enterprises and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement, and presentation;
 - (ii) quantify the effect of material differences between Canadian GAAP applicable to public enterprises and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with Canadian GAAP applicable to public enterprises; and
 - (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP applicable to public enterprises to the extent not already reflected in the acquisition statements.

“6.2 Acceptable Auditing Standards for Acquisition Statements

(1) Acquisition statements that are required by securities legislation to be audited must be audited in accordance with:

- (a) Canadian GAAS; or
- (b) U.S. GAAS.

(2) Despite subsection (1), acquisition statements filed by or included in a prospectus of a foreign issuer may be audited in accordance with:

- (a) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would not contain a reservation; or
- (b) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

- (3) Acquisition statements must be accompanied by an auditor's report prepared in accordance with the same auditing standards used to audit the acquisition statements and the auditor's report must identify the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.
- (4) If acquisition statements are audited in accordance with paragraph (1)(a), the auditor's report must not contain a reservation.
- (5) If acquisition statements are audited in accordance with paragraph (1)(b), the auditor's report must contain an unqualified opinion.
- (6) Despite paragraph (2)(a) and subsections (4) and (5) an auditor's report that accompanies acquisition statements may contain a qualification of opinion relating to inventory if:
- (a) the issuer includes in the business acquisition report, prospectus or other document containing the acquisition statements, a balance sheet for the business that is for a date that is subsequent to the date to which the qualification relates; and
 - (b) the balance sheet referred to in paragraph (a) is accompanied by an auditor's report that does not contain a qualification of opinion relating to closing inventory.

“6.3 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method

- (1) If an issuer files, or includes in a prospectus, summarized financial information as to the assets, liabilities and results of operations of a business relating to an acquisition that is, or will be, an investment accounted for by the issuer using the equity method, the financial information must:
- (a) meet the requirements in section 6.1 if the term 'acquisition statements' in that section is read as 'summarized financial information as to the assets, liabilities and results of operations of a business relating to an acquisition that is, or will be, an investment accounted for by the issuer using the equity method'; and
 - (b) disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency.
- (2) If the financial information referred to in subsection (1) is for any completed financial year, the financial information must:
- (a) either:
 - (i) meet the requirements in section 6.2 if the term 'acquisition statements' in that section is read as 'summarized financial information as to the assets, liabilities and results of operations of a business relating to an acquisition that is; or will be, an investment accounted for by the issuer using the equity method'; or
 - (ii) be derived from financial statements that meet the requirements in section 6.2 if the term 'acquisition statements' in that section is read as 'financial statements from which is derived summarized financial information as to the assets, liabilities and results of operations of a business relating to an acquisition that is, or will be, an investment accounted for by the issuer using the equity method'; and

(b) be audited, or derived from financial statements that are audited, by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

“PART 7 PRO FORMA FINANCIAL STATEMENTS

“7.1 Acceptable Accounting Principles for *Pro Forma* Financial Statements

(1) *Pro forma* financial statements must be prepared in accordance with the issuer's GAAP.

(2) Despite subsection (1), if an issuer's financial statements have been reconciled to Canadian GAAP under subsection 4.1(1) or paragraph 5.1(e), the issuer's *pro forma* financial statements must be prepared in accordance with, or reconciled to, Canadian GAAP applicable to public enterprises.

(3) Despite subsection (1), if an issuer's financial statements have been prepared in accordance with the accounting principles referred to in paragraph 5.1(c) and those financial statements are reconciled to U.S. GAAP, the *pro forma* financial statements may be prepared in accordance with, or reconciled to, U.S. GAAP.

“PART 8 EXEMPTIONS FOR FOREIGN REGISTRANTS

“8.1 Acceptable Accounting Principles for Foreign Registrants - Despite subsection 3.1(1), financial statements delivered by a foreign registrant may be prepared in accordance with:

(a) U.S. GAAP;

(b) International Financial Reporting Standards;

(c) accounting principles that meet the disclosure requirements of a foreign regulatory authority to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction; or

(d) accounting principles that cover substantially the same core subject matter as Canadian GAAP, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements:

(i) explain the material differences between Canadian GAAP as applicable to public enterprises and the accounting principles used that relate to recognition, measurement and presentation;

(ii) quantify the effect of material differences between Canadian GAAP as applicable to public enterprises and the accounting principles used that relate to recognition, measurement, and presentation; and

(iii) provide disclosure consistent with disclosure requirements of Canadian GAAP as applicable to public enterprises to the extent not already reflected in the financial statements.

“8.2 Acceptable Auditing Standards for Foreign Registrants - Despite section 3.2, financial statements delivered by a foreign registrant that are required by securities legislation to be audited may be audited in accordance with:

- (a) U.S. GAAS if the auditor’s report contains an unqualified opinion;
- (b) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would not contain a reservation; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction;

if the financial statements are accompanied by an auditor’s report prepared in accordance with the same auditing standards used to audit the financial statements and the auditor’s report identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

“PART 9 EXEMPTIONS

“9.1 Exemptions

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.

“9.2 Certain Exemptions Evidenced by Receipt

- (1) Subject to subsections (2) and (3), without limiting the manner in which an exemption may be evidenced, an exemption from this Instrument as it pertains to financial statements or auditor’s reports included in a prospectus, may be evidenced by the issuance of a receipt for the prospectus or an amendment to the prospectus.
- (2) A person or company must not rely on a receipt as evidence of an exemption unless the person or company:
 - (a) sent to the regulator or securities regulatory authority, on or before the date the preliminary prospectus or the amendment to the preliminary prospectus or prospectus was filed, a letter or memorandum describing the matters relating to the exemption application, and indicating why consideration should be given to the granting of the exemption; or

(b) sent to the regulator or securities regulatory authority the letter or memorandum referred to in paragraph (a) after the date of the preliminary prospectus or the amendment to the preliminary prospectus or prospectus has been filed and receives a written acknowledgement from the securities regulatory authority or regulator that issuance of the receipt is evidence that the exemption is granted.

(3) A person or company must not rely on a receipt as evidence of an exemption if the regulator or securities regulatory authority has before, or concurrently with, the issuance of the receipt for the prospectus, sent notice to the person or company that the issuance of a receipt does not evidence the granting of the exemption.

(4) For the purpose of this section, a reference to a prospectus does not include a preliminary prospectus.

“PART 10 EFFECTIVE DATE

“10.1 Effective Date - This Instrument comes into force on March 30, 2004”.

“PART XXXVIII [clause 2(l)]

“NATIONAL INSTRUMENT 71-102 CONTINUOUS DISCLOSURE AND OTHER EXEMPTIONS RELATING TO FOREIGN ISSUERS

“PART 1 DEFINITIONS AND INTERPRETATION

“1.1 Definitions and Interpretation - In this Instrument:

‘AIF’ means a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC foreign issuer, a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB, or Form 20-F;

‘board of directors’ means, for a person or company that does not have a board of directors, an individual or group that acts in a capacity similar to a board of directors;

‘business acquisition report’ means a completed Form 51-102F4 *Business Acquisition Report*;

‘class’ includes a series of a class;

‘convertible security’ means a security of an issuer that is convertible into, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of the same issuer;

‘designated foreign issuer’ means a foreign reporting issuer:

(a) that does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act;

- (b) that is subject to foreign disclosure requirements; and
- (c) for which the total number of equity securities owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully-diluted basis, of the total number of equity securities of the issuer, calculated in accordance with sections 1.2 and 1.3;

‘designated foreign jurisdiction’ means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

‘exchangeable security’ means a security of an issuer that is exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of another issuer;

‘exchange-traded security’ means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

‘executive officer’ of a reporting issuer means an individual who is:

- (a) a chair of the reporting issuer;
- (b) a vice-chair of the reporting issuer;
- (c) the president of the reporting issuer;
- (d) a vice-president of the reporting issuer in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the reporting issuer or any of its subsidiaries who performed a policy-making function in respect of the reporting issuer; or
- (f) any other individual who performed a policy-making function in respect of the reporting issuer;

‘foreign disclosure requirements’ means the requirements to which a foreign reporting issuer is subject concerning the disclosure made to the public, to securityholders of the issuer or to a foreign regulatory authority:

- (a) relating to the foreign reporting issuer and the trading in its securities; and
- (b) that is made publicly available in the foreign jurisdiction under:
 - (i) the securities laws of the foreign jurisdiction in which the principal trading market of the foreign reporting issuer is located; or
 - (ii) the rules of the marketplace that is the principal trading market of the foreign reporting issuer;

‘foreign regulatory authority’ means a securities commission, exchange or other securities market regulatory authority in a designated foreign jurisdiction;

'foreign reporting issuer' means a reporting issuer, other than an investment fund, that is incorporated or organized under the laws of a foreign jurisdiction, unless:

- (a) outstanding voting securities carrying more than 50 per cent of the votes for the election of directors are owned, directly or indirectly, by residents of Canada; and
- (b) any one or more of the following is true:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada;
 - (ii) more than 50 per cent of the consolidated assets of the issuer are located in Canada;
or
 - (iii) the business of the issuer is administered principally in Canada;

'inter-dealer bond broker' means a person or company that is approved by the Investment Dealers Association under its By-Law No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its By-Law No. 36 and its Regulation 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

'interim period' means:

- (a) in the case of a year other than a transition year, a period commencing on the first day of the financial year and ending nine, six or three months before the end of the financial year; or
- (b) in the case of a transition year, a period commencing on the first day of the transition year and ending:
 - (i) three, six, nine or twelve months, if applicable, after the end of the old financial year;
or
 - (ii) twelve, nine, six or three months, if applicable, before the end of the transition year;

'investment fund' means a mutual fund or a non-redeemable investment fund;

'marketplace' means:

- (a) an exchange;
- (b) a quotation and trade reporting system;
- (c) a person or company not included in paragraph (a) or (b) that:
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;
 - (ii) brings together the orders for securities of multiple buyers and sellers; and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade; or
- (d) a dealer that executes a trade of an exchange-traded security outside of a marketplace;

but does not include an inter-dealer bond broker;

'MD&A' means a completed Form 51-102F1 *Management's Discussion & Analysis* or, in the case of an SEC foreign issuer, a completed Form 51-102F1 or management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act;

'multiple convertible security' means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

'Nasdaq' means Nasdaq National Market and Nasdaq SmallCap Market;

'NI 52-107' means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

'non-redeemable investment fund' means any issuer:

- (a) where contributions of securityholders are pooled for investment;
- (b) where securityholders do not have day-to-day control over the management and investment decisions of the issuer, whether or not they have the right to be consulted or to give directions; and
- (c) whose securities do not entitle the securityholder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the issuer;

'old financial year' means the financial year of a reporting issuer that immediately precedes its transition year;

'principal trading market' means the published market on which the largest trading volume in the equity securities of the issuer occurred during the issuer's most recent financial year that ended before the date the determination is being made;

'published market' means, for a class of securities, a marketplace on which the securities have traded that discloses regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means the prices at which those securities have traded;

'recognized exchange' means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange; and
- (b) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

'recognized quotation and trade reporting system' means:

- (a) in every jurisdiction other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as

a quotation and trade reporting system; and

(b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

‘SEC foreign issuer’ means a foreign reporting issuer that:

(a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and

(b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended;

‘SEDI issuer’ has the meaning ascribed to that term in National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*;

‘transition year’ means the financial year of reporting issuer in which the issuer changes its financial year-end;

‘TSX’ means the Toronto Stock Exchange;

‘underlying security’ means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security;

‘U.S. market’ means an exchange in the United States of America or Nasdaq; and

‘U.S. market requirements’ means the requirements of the U.S. market on which the reporting issuer’s securities are listed or quoted.

“1.2 Determination of Canadian Shareholders

(1) For the purposes of section 4.14 and paragraph (c) of the definition of ‘designated foreign issuer’, a reference to equity securities owned, directly or indirectly, by residents of Canada, includes:

(a) the underlying securities that are equity securities of the foreign reporting issuer; and

(b) the equity securities of the foreign reporting issuer represented by an American depositary receipt or an American depositary share issued by a depositary holding equity securities of the foreign reporting issuer.

(2) For the purposes of paragraph (a) of the definition of ‘foreign reporting issuer’, securities represented by American depository receipts or American depository shares issued by a depository holding voting securities of the foreign reporting issuer must be included as outstanding in determining both the number of votes attached to securities owned, directly or indirectly, by residents of Canada and the number of votes attached to all of the issuer’s outstanding voting securities.

“1.3 Timing for Calculation of Designated Foreign Issuer and Foreign Reporting Issuer

For the purposes of paragraph (c) of the definition of ‘designated foreign issuer’, paragraph (a) of the definition of ‘foreign reporting issuer’ and section 4.14, the calculation is made:

- (a) if the issuer has not completed a financial year since becoming a reporting issuer, at the date that the issuer became a reporting issuer; and
- (b) or all other issuers:
 - (i) for the purpose of financial statement and MD&A filings under this Instrument, on the first day of the most recent financial year or year-to-date interim period for which operating results are presented in the financial statements or MD&A; and
 - (ii) for the purpose of other continuous disclosure filing obligations under this Instrument, on the first day of the issuer’s current financial year.

“PART 2 LANGUAGE OF DOCUMENTS

“2.1 French or English

- (1) A person or company must file a document required to be filed under this Instrument in either French or English.
- (2) Notwithstanding subsection (1), if a person or company files a document only in French or only in English but delivers to securityholders of an issuer a version of the document in the other language, the person or company must file that other version not later than when it is first delivered to securityholders.
- (3) In Québec, a reporting issuer must comply with linguistic obligations and rights prescribed by Québec law.

“2.2 Filings Prepared in a Language other than French or English

- (1) If a person or company files a document that is required to be filed under this Instrument that is a translation of a document prepared in a language other than French or English, the person or company must file the document upon which the translation was based.
- (2) A foreign reporting issuer filing a document upon which the translation was based under subsection (1) must attach to the document a certificate as to the accuracy of the translation.

“PART 3 FILING AND SENDING OF DOCUMENTS**“3.1 Timing of Filing of Documents**

A person or company filing a document under this Instrument must file the document at the same time as, or as soon as practicable after, the filing or furnishing of the document to the SEC or to a foreign regulatory authority.

“3.2 Sending of Documents to Canadian Securityholders

If a person or company sends a document to holders of securities of any class under U.S. federal securities law, or the laws or requirements of a designated foreign jurisdiction, and that document is required to be filed under this Instrument, then the document must be sent in the same manner and at the same time, or as soon as practicable after, to holders of securities of that class in the local jurisdiction.

“PART 4 SEC FOREIGN ISSUERS**“4.1 Amendments and Supplements**

Any amendments or supplements to disclosure documents filed by an SEC foreign issuer under this Instrument must also be filed.

“4.2 Material Change Reporting

An SEC foreign issuer is exempt from securities legislation requirements relating to disclosure of material changes if the issuer:

- (a) complies with the U.S. market requirements for making public disclosure of material information on a timely basis;
- (b) complies with foreign disclosure requirements for making public disclosure of material information on a timely basis, if securities of the issuer are not listed or quoted on a U.S. market;
- (c) promptly files each news release issued by it for the purpose of complying with the requirements referred to in paragraph (a) or (b);
- (d) complies with the requirements of U.S. federal securities law for filing or furnishing current reports to the SEC; and
- (e) files the current reports filed with or furnished to the SEC.

“4.3 Financial Statements

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of its interim financial statements, and annual financial statements and auditor's reports on annual financial statements if it:

- (a) complies with the requirements of U.S. federal securities law relating to interim financial statements, annual financial statements and auditor's reports on annual financial statements;
- (b) complies with the U.S. market requirements relating to interim financial statements and annual financial statements, if securities of the issuer are listed or quoted on a U.S. market;
- (c) files the interim financial statements, annual financial statements and auditor's reports on annual financial statements filed with or furnished to the SEC or a U.S. market;
- (d) complies with section 3.2 of this Instrument; and
- (e) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c).

“4.4 AIFs and MD&A

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of AIFs and MD&A if it:

- (a) complies with the requirements of U.S. federal securities law relating to annual reports, quarterly reports, current reports and management's discussion and analysis;
- (b) files each annual report, quarterly report, current report and management's discussion and analysis filed with or furnished to the SEC;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

“4.5 Business Acquisition Reports

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation and filing of business acquisition reports if it:

- (a) complies with the requirements of U.S. federal securities law relating to business acquisition reports;
- (b) files each business acquisition report filed with or furnished to the SEC;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements that are included in any documents specified in paragraph (b).

“4.6 Proxies and Proxy Solicitation by the Issuer and Information Circulars

An SEC foreign issuer satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation if it:

- (a) complies with the requirements of U.S. federal securities law relating to proxy statements, proxies and proxy solicitation;
- (b) files all material relating to a meeting of securityholders that is filed with or furnished to the SEC;
- (c) sends each document filed under paragraph (b) to securityholders in the local jurisdiction in the manner and at the time required by U.S. federal securities laws and U.S. market requirements; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

“4.7 Proxy Solicitation by Another Person or Company

- (1) A person or company, other than the SEC foreign issuer, satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation with respect to an SEC foreign issuer if the person or company complies with the requirements of subsection 4.6.
- (2) If a proxy solicitation is made with respect to an SEC foreign issuer by a person or company other than the SEC foreign issuer and the person or company soliciting proxies lacks access to the relevant list of securityholders of the SEC foreign issuer, the exemption in subsection (1) is not available, if:
 - (a) the aggregate published trading volume of the class on the TSX and the TSX Venture Exchange exceeded the aggregate published trading volume of the class on all U.S. markets:
 - (i) for the 12 calendar month period before commencement of the proxy solicitation, if there is no other proxy solicitation for securities of the same class in progress; or
 - (ii) for the 12 calendar month period before commencement of the first proxy solicitation, if another proxy solicitation for securities of the same class is already in progress;
 - (b) the information disclosed by the SEC foreign issuer in its most recent Form 10-K, Form 10-KSB or Form 20-F filed with the SEC under the 1934 Act demonstrated that paragraph (a) of the definition of ‘foreign reporting issuer’ applied to the SEC foreign issuer; or
 - (c) the person or company soliciting proxies reasonably believes that paragraph (a) of the definition of ‘foreign reporting issuer’ applies to the SEC foreign issuer.

“4.8 Disclosure of Voting Results

An SEC foreign issuer is exempt from securities legislation requirements relating to disclosure of securityholder voting results if the issuer:

- (a) complies with the requirements of U.S. federal securities law relating to disclosure of securityholder voting results; and

(b) files a copy of all disclosure of securityholder voting results filed with or furnished to the SEC.

“4.9 Filing of Certain News Releases

An SEC foreign issuer is exempt from securities legislation requirements relating to the filing of news releases that disclose information regarding its results of operations or financial condition if the issuer:

(a) complies with the requirements of U.S. federal securities laws relating to the filing of news releases disclosing financial information; and

(b) files a copy of each news release disclosing financial information that is filed with or furnished to the SEC.

“4.10 Filing of Certain Documents

An SEC foreign issuer is exempt from securities legislation requirements relating to the filing of documents affecting the rights of securityholders and the filing of material contracts.

“4.11 Early Warning

A person or company is exempt from the early warning requirements and acquisition announcement provisions of securities legislation in respect of securities of an SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act if the person or company:

(a) complies with the requirements of U.S. federal securities law relating to the reporting of beneficial ownership of equity securities of the SEC foreign issuer; and

(b) files each report of beneficial ownership that is filed with or furnished to the SEC.

“4.12 Insider Reporting

The insider reporting requirement does not apply to an insider of an SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act if:

(a) the SEC foreign issuer is not a SEDI issuer; and

(b) the insider complies with the requirements of U.S. federal securities law relating to insider reporting.

“4.13 Communication with Beneficial Owners of Securities

An SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act satisfies securities legislation requirements relating to communications with, delivery of materials to and conferring voting rights upon non-registered holders of its securities who hold their interests in the securities through one or more intermediaries if the issuer:

(a) complies with the requirements of Rule 14a-13 under the 1934 Act for any depository and any intermediary whose last address as shown on the books of the issuer is in Canada; and

(b) complies with the requirements of National Instrument 54-101 *Communication with Beneficial*

Owners of Securities of a Reporting Issuer with respect to fees payable to intermediaries, for any depository and any intermediary whose last address as shown on the books of the issuer is in Canada.

“4.14 Going Private Transactions and Related Party Transactions

Securities legislation requirements relating to going private transactions and related party transactions, as those terms are used in securities legislation of the local jurisdiction, do not apply to an SEC foreign issuer carrying out a going private transaction or related party transaction if the total number of equity securities of the SEC foreign issuer owned, directly or indirectly, by residents of Canada, does not exceed 20 per cent, on a diluted basis, of the total number of equity securities of the SEC foreign issuer.

“4.15 Change of Auditor

An SEC foreign issuer satisfies securities legislation requirements relating to a change of auditor if the issuer:

- (a) complies with the requirements of U.S. federal securities laws relating to a change of auditor; and
- (b) files a copy of all materials relating to a change of auditor that are filed with or furnished to the SEC.

“4.16 Restricted Securities

- (1) Securities legislation continuous disclosure requirements relating to restricted securities do not apply in respect of SEC foreign issuers.
- (2) Securities legislation minority approval requirements relating to restricted securities do not apply in respect of SEC foreign issuers.

“PART 5 DESIGNATED FOREIGN ISSUERS

“5.1 Amendments and Supplements

Any amendments or supplements to disclosure documents filed by a designated foreign issuer under this Instrument must also be filed.

“5.2 Mandatory Annual Disclosure by Designated Foreign Issuer

To rely on this Part, a designated foreign issuer must, at least once a year, disclose in, or as an appendix to, a document that it is required by foreign disclosure requirements to send to its securityholders and that it sends to its securityholders in Canada:

- (a) that it is a designated foreign issuer as defined in this Instrument;
- (b) that it is subject to the foreign regulatory requirements of a foreign regulatory authority; and
- (c) the name of the foreign regulatory authority referred to in paragraph (b).

“5.3 Material Change Reporting

A designated foreign issuer is exempt from securities legislation requirements relating to disclosure of material changes if the issuer:

- (a) complies with foreign disclosure requirements for making public disclosure of material information on a timely basis;
- (b) promptly files each news release issued by it for the purpose of complying with the requirements referred to in paragraph (a); and
- (c) files the documents disclosing the material information filed with or furnished to the foreign regulatory authority or disseminated to the public or securityholders of the issuer.

“5.4 Financial Statements

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of its interim financial statements, annual financial statements and auditor’s reports on annual financial statements if it:

- (a) complies with the foreign disclosure requirements relating to interim financial statements, annual financial statements and auditor’s reports on annual financial statements;
- (b) files the interim financial statements, annual financial statements and auditor’s reports on annual financial statements required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

“5.5 AIFs & MD&A

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of AIFs and MD&A if it:

- (a) complies with the foreign disclosure requirements relating to annual reports, quarterly reports and management’s discussion and analysis;
- (b) files each annual report, quarterly report and management’s discussion and analysis required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

“5.6 Business Acquisition Reports

A designated foreign issuer satisfies securities legislation requirements relating to the preparation and filing of business acquisition reports if it:

- (a) complies with the foreign disclosure requirements relating to business acquisitions;
- (b) files each report in respect of a business acquisition required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements that are included in any documents specified in paragraph (b).

“5.7 Proxies and Proxy Solicitation by the Issuer and Information Circulars

A designated foreign issuer satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation if it:

- (a) complies with the foreign disclosure requirements relating to proxy statements, proxies and proxy solicitation;
- (b) files all material relating to a meeting of securityholders that is filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

“5.8 Proxy Solicitation by Another Person or Company

(1) A person or company, other than the designated foreign issuer, satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation with respect to a designated foreign issuer if the person or company satisfies the requirements of section 5.7.

(2) If a proxy solicitation is made with respect to a designated foreign issuer by a person or company other than the designated foreign issuer and the person or company soliciting proxies lacks access to the relevant list of securityholders of the designated foreign issuer, the exemption in subsection (1) is not available, if:

- (a) the aggregate published trading volume of the class on the TSX and the TSX Venture Exchange exceeded the aggregate trading volume on securities marketplaces outside Canada:
 - (i) for the 12 calendar months before commencement of the proxy solicitation, if there is no other proxy solicitation for securities of the same class in progress; or
 - (ii) for the 12 calendar month period before the commencement of the first proxy solicitation, if another proxy solicitation for securities of the same class is already in progress;

(b) the information disclosed by the designated foreign issuer in a document filed within the previous 12 months with a foreign regulatory authority, demonstrated that paragraph (a) of the definition of 'foreign reporting issuer' applied to the designated foreign issuer; or

(c) the person or company soliciting proxies reasonably believes that paragraph (a) of the definition of 'foreign reporting issuer' applies to the designated foreign issuer.

“5.9 Disclosure of Voting Results

A designated foreign issuer is exempt from securities legislation requirements relating to disclosure of securityholder voting results if the issuer:

(a) complies with the foreign disclosure requirements relating to disclosure of securityholder voting results; and

(b) files each report disclosing securityholder voting results that is filed with or furnished to a foreign regulatory authority.

“5.10 Filing of Certain News Releases

A designated foreign issuer is exempt from securities legislation requirements relating to the filing of news releases that disclose information regarding its results of operations or financial condition if the issuer:

(a) complies with the foreign disclosure requirements relating to the filing of news releases disclosing financial information; and

(b) files a copy of each news release disclosing financial information that is filed with or furnished to a foreign regulatory authority.

“5.11 Filing of Certain Documents

A designated foreign issuer is exempt from securities legislation requirements relating to the filing of documents affecting the rights of securityholders and the filing of material contracts.

“5.12 Early Warning

A person or company is exempt from the early warning requirements and acquisition announcement provisions of securities legislation in respect of securities of a designated foreign issuer if the person or company:

(a) complies with the foreign disclosure requirements relating to reporting of beneficial ownership of equity securities of the designated foreign issuer; and

(b) files each report of beneficial ownership that is filed with or furnished to the foreign regulatory authority.

“5.13 Insider Reporting

The insider reporting requirement does not apply to an insider of a designated foreign issuer if:

(a) the designated foreign issuer is not a SEDI issuer; and

(b) the insider complies with the foreign disclosure requirements relating to insider reporting.

“5.14 Communication with Beneficial Owners of Securities

A designated foreign issuer satisfies securities legislation requirements relating to communications with, delivery of materials to and conferring voting rights upon non-registered holders of its securities who hold their interests in the securities through one or more intermediaries if the issuer:

(a) complies with foreign disclosure requirements relating to communication with beneficial owners of securities; and

(b) complies with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* with respect to fees payable to intermediaries, for any depository and any intermediary whose last address as shown on the books of the issuer is in Canada.

“5.15 Going Private Transactions and Related Party Transactions

Securities legislation requirements relating to going private transactions and related party transactions, as those terms are used in securities legislation of the local jurisdiction, do not apply to a designated foreign issuer carrying out a going private transaction or related party transaction.

“5.16 Change in Year-End

A designated foreign issuer satisfies securities legislation requirements relating to a change in year-end if the issuer:

(a) complies with foreign disclosure requirements relating to a change in year-end; and

(b) files a copy of all filings made under foreign disclosure requirements relating to the change in year-end.

“5.17 Change of Auditor

A designated foreign issuer satisfies securities legislation requirements relating to a change of auditor if the issuer:

(a) complies with foreign disclosure requirements relating to a change of auditor; and

(b) files a copy of all filings made under foreign disclosure requirements relating to the change of auditor.

“5.18 Restricted Securities

(1) Securities legislation continuous disclosure requirements relating to restricted securities do not apply in respect of designated foreign issuers.

(2) Securities legislation minority approval requirements relating to restricted securities do not apply in respect of designated foreign issuers.

“PART 6 FOREIGN TRANSITION ISSUERS

“6.1 Application

This Part only applies in Ontario.

“6.2 Definition

In this section, ‘**foreign transition issuer**’ means an issuer:

- (a) that is not incorporated or organized under the laws of Canada or a jurisdiction of Canada;
- (b) that is not an SEC foreign issuer or a designated foreign issuer;
- (c) that became a reporting issuer solely by listing securities on the TSX before March 30, 2004;
- (d) of which the total number of securities of the class listed on the TSX registered in the names of residents of Canada does not exceed 5 per cent of the total number of issued and outstanding securities of the class; and
- (e) of which the total number of holders of securities of the class listed on the TSX registered in the names of residents of Canada does not exceed 300.

“6.3 Transitional Exemptions

Until January 1, 2005, a foreign transition issuer is exempt from:

- (a) securities legislation requirements to file business acquisition reports, AIFs and MD&A;
- (b) securities legislation requirements relating to the preparation, approval and filing of annual financial statements and auditor’s reports thereon if the annual financial statements are:
 - (i) prepared in compliance with the laws of the foreign jurisdiction of incorporation or organization of the issuer; and
 - (ii) filed not later than the earlier of:
 - (A) promptly after they are filed with any other governmental agency or securities market regulatory authority; and
 - (B) 140 days after the end of the financial year; and
- (c) securities legislation requirements relating to the preparation, approval and filing of interim financial statements, if the interim financial statements are:
 - (i) prepared in compliance with the laws of the foreign jurisdiction of incorporation or organization of the issuer; and

(ii) filed not later than the earlier of:

(A) promptly after they are filed with any other governmental agency or securities market regulatory authority; and

(B) 60 days after the end of the interim period.

“PART 7 EFFECTIVE DATE

“7.1 Effective Date

This Instrument comes into force on March 30, 2004”.

Part XVIII of the Appendix repealed

13 Part VIII is repealed.

Coming into force

14(1) Subject to subsections (2) and (3), these regulations come into force on March 30, 2004.

(2) If these regulations are filed with the Registrar of Regulations after March 30, 2004, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

(3) Subsection 8(8) and section 13 come into force on May 19, 2005.