



The Saskatchewan Gazette

PUBLISHED WEEKLY BY AUTHORITY OF THE QUEEN'S PRINTER

PART II/PARTIE II

Volume 102

REGINA, FRIDAY, JANUARY 13, 2006/REGINA, VENDREDI, 13 JANVIER 2006

No.2/n° 2

PART II/PARTIE II

REVISED REGULATIONS OF SASKATCHEWAN/ RÈGLEMENTS RÉVISÉS DE LA SASKATCHEWAN

TABLE OF CONTENTS/TABLE DES MATIÈRES

SR 149/2005	<i>The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2005 (No. 8)</i>	7
SR 150/2005	<i>The Securities Commission (Local Instruments) Amendment Regulations, 2005 (No. 3)</i>	101

Revised Regulations of Saskatchewan/ Règlements Révisés de la Saskatchewan 2006

January 6, 2006

The Milk Control Amendment Regulations, 2005 (No. 12) SR 148/2005

January 13, 2006

*The Securities Commission (Adoption of National Instruments) Amendment
Regulations, 2005 (No. 8)* SR 149/2005

*The Securities Commission (Local Instruments) Amendment
Regulations, 2005 (No. 3)* SR 150/2005

REVISED REGULATIONS OF SASKATCHEWAN

SASKATCHEWAN REGULATIONS 149/2005*The Securities Act, 1988*

Section 154

Commission Order, dated December 13, 2005

(Filed December 29, 2005)

Title

1 These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Amendment Regulations, 2005 (No. 8)*.

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.

New Part XIII of the Appendix

3 **Part XIII of the Appendix is repealed and the following substituted:**

“PART XIII
[Clause 2(m)]

“NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS

“PART 1 DEFINITIONS AND INTERPRETATION**“1.1 Definitions** - In this Instrument

‘AIF’ has the same meaning as in NI 51-102 for a reporting issuer other than an investment fund, and for an investment fund means an annual information form as such term is used in NI 81-106;

‘**alternative credit support**’ means support, other than a guarantee, for 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, that:

(a) obliges the person or company providing the support to provide the issuer with funds sufficient to enable the issuer to make the stipulated payments, or

(b) entitles the holder of the securities to receive, from the person or company providing the support, payment if the issuer fails to make a stipulated payment;

‘**applicable CD rule**’ means, for a reporting issuer other than an investment fund, NI 51-102 and, for an investment fund, NI 81-106;

‘**approved rating**’ has the same meaning as in NI 51-102;

‘**approved rating organization**’ has the same meaning as in NI 51-102;

‘**asset-backed security**’ has the same meaning as in NI 51-102;

‘**business acquisition report**’ has the same meaning as in NI 51-102;

'cash equivalent' means an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

- (a) the government of Canada or the government of a jurisdiction of Canada,
- (b) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has an approved rating, or
- (c) a Canadian financial institution, or other entity that is regulated as a banking institution, loan corporation, trust company, or insurance company or credit union by the government, or an agency of the government, of the country under whose laws the entity is incorporated or organized or a political subdivision of that country, if, in either case, the Canadian financial institution or other entity has outstanding short term debt securities that have received an approved rating from any approved rating organization;

'cash settled derivative' means a derivative, the terms of which provide for settlement only by means of cash or cash equivalent the amount of which is determinable by reference to the underlying interest of the derivative;

'convertible' means, if used to describe securities, that the rights and attributes attached to the securities include the right or option to purchase, convert into or exchange for or otherwise acquire equity securities of an issuer, or any other security that itself includes the right or option to purchase, convert into or exchange for or otherwise acquire equity securities of an issuer;

'credit supporter' means a person or company who provides a guarantee or alternative credit support 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;

'current AIF' means:

- (a) if the issuer has filed an AIF for its most recently completed financial year, that AIF, or
- (b) the issuer's AIF filed for the financial year immediately preceding its most recently completed financial year if:
 - (i) the issuer has not filed an AIF for its most recently completed financial year, and
 - (ii) the issuer is not yet required under the applicable CD rule to have filed its annual financial statements for its most recently completed financial year,

'current annual financial statements' means:

- (a) if the issuer has filed its comparative annual financial statements in accordance with the applicable CD rule for its most recently completed financial year, those financial statements together with the auditor's report accompanying the financial statements and, if there has been a change of auditors since the comparative period, an auditor's report on the financial statements for the comparative period, or

(b) the issuer's comparative annual financial statements filed for the financial year immediately preceding its most recently completed financial year, together with the auditor's report accompanying the financial statements and, if there has been a change of auditors since the comparative period, an auditor's report on the financial statements for the comparative period if:

- (i) the issuer has not filed its comparative annual financial statements for its most recently completed financial year, and
- (ii) the issuer is not yet required under the applicable CD rule to have filed its annual financial statements for its most recently completed financial year;

'derivative' means an instrument, agreement or security, the market price, value or payment obligation of which is derived from, referenced to, or based on an underlying interest;

'designated foreign jurisdiction' has the same meaning as in NI 52-107;

'equity securities' means securities of an issuer that carry a residual right to participate in the earnings of the issuer and, upon the liquidation or winding up of the issuer, in its assets;

'executive officer' has the same meaning as in NI 51-102;

'foreign disclosure requirements' has the same meaning as in NI 52-107;

'Form 44-101F1' means Form 44-101F1 *Short Form Prospectus* of this Instrument;

'Form 51-102F2' means Form 51-102F2 *Annual Information Form* of NI 51-102;

'Form 51-102F3' means Form 51-102F3 *Material Change Report* of NI 51-102;

'Form 51-102F4' means Form 51-102F4 *Business Acquisition Report* of NI 51-102;

'Form 51-102F5' means Form 51-102F5 *Information Circular* of NI 51-102;

'full and unconditional credit support' means:

- (a) alternative credit support that:
 - (i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer within 15 days of any failure by the issuer to make a payment as stipulated, and
 - (ii) results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or would result in the securities receiving such a rating if they were rated; or
- (b) a guarantee of the payments to be made by the 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 such that the holder of the securities is entitled to receive payment from the guarantor within 15 days of any failure by the issuer to make a payment as stipulated;

'information circular' has the same meaning as in NI 51-102;

'interim period' has the same meaning as in the applicable CD rule;

'investment fund' has the same meaning as in NI 81-106;

'material change report' means, for a reporting issuer other than an investment fund, a completed Form 51-102F3, and for an investment fund, a completed Form 51-102F3 adjusted as directed by NI 81-106;

'MD&A' has the same meaning as in NI 51-102 in relation to a reporting issuer other than an investment fund, and in relation to an investment fund means an annual or interim management report of fund performance as defined in NI 81-106;

'mineral project' has the same meaning as in NI 43-101;

'NI 13-101' means National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

'NI 43-101' means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

'NI 44-102' means National Instrument 44-102 *Shelf Distributions*;

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

'NI 52-107' means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

'NI 81-106' means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

'non-convertible' means, if used to describe a security, a security that is not convertible;

'permitted supranational agency' means the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the African Development Bank and any person or company prescribed under paragraph (g) of the definition of 'foreign property' in subsection 206(1) of the ITA;

'reorganization' means:

- (a) a statutory amalgamation;
- (b) a statutory merger; or
- (c) a statutory arrangement;

'restricted security' has the same meaning as in NI 51-102;

'short Form eligible exchange' means each of the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange and the Canadian Trading and Quotation System Inc.;

'special warrant' means a security that, by its terms or the terms of an accompanying contractual obligation, entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of either security to undertake efforts to file a prospectus to qualify the distribution of the other security;

‘successor issuer’ means an issuer existing as a result of a reorganization, other than, in the case where the reorganization involved a divestiture of a portion of an issuer’s business, an issuer that succeeded to or otherwise acquired the portion of the business divested;

‘underlying interest’ means, for a derivative, the security, commodity, financial instrument, currency, interest rate, foreign exchange rate, economic indicator, index, basket, agreement, benchmark or any other reference, interest or variable, and, if applicable, the relationship between any of the foregoing, from, to or on which the market price, value or any payment obligation of the derivative is derived, referenced or based;

‘U.S. credit supporter’ means a credit supporter 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 section 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 filing of the preliminary short form prospectus;
- (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; and
- (e) is not a commodity pool issuer;

‘U.S. GAAS’ has the same meaning as in NI 52-107.

“1.2 References to Information Included in a Document - References in this Instrument to information included in a document refer to both information contained directly in the document and information incorporated by reference in the document.

“1.3 References to Information to be Included in a Document - Provisions of this Instrument that require an issuer to include information in a document require an issuer either to insert the information directly in the document or to incorporate the information in the document by reference.

“1.4 Interpretation of ‘short form prospectus’ - In this Instrument, other than in Parts 4 through 8 or unless otherwise stated, a reference to a short form prospectus includes a preliminary short form prospectus.

“1.5 Interpretation of ‘payments to be made’ - For the purposes of the definition of ‘full and unconditional credit support’, payments to be made by an issuer of securities as stipulated in the terms of the securities include any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared.

“PART 2 QUALIFICATION TO FILE A PROSPECTUS IN THE FORM OF A SHORT FORM PROSPECTUS**“2.1 Short Form Prospectus**

(1) An issuer shall not file a prospectus in the form of Form 44-101F1 unless the issuer is qualified under any of sections 2.2 through 2.6 to file a prospectus in the form of a short Form prospectus.

(2) An issuer that is qualified under any of sections 2.2 through 2.6 to file a prospectus in the form of a short Form prospectus for a distribution may file, for that distribution:

- (a) a preliminary prospectus, prepared and certified in the form of Form 44-101F1; and
- (b) a prospectus, prepared and certified in the form of Form 44-101F1.

“2.2 Basic Qualification Criteria - An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of any of its securities in the local jurisdiction, if the following criteria are satisfied:

- (a) the issuer is an electronic filer under NI 13-101;
- (b) the issuer is a reporting issuer in at least one jurisdiction of Canada;
- (c) the issuer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction:
 - (i) under applicable securities legislation;
 - (ii) pursuant to an order issued by the securities regulatory authority; or
 - (iii) pursuant to an undertaking to the securities regulatory authority;
- (d) the issuer has, in at least one jurisdiction in which it is a reporting issuer:
 - (i) current annual financial statements; and
 - (ii) a current AIF;
- (e) the issuer’s equity securities are listed and posted for trading on a short form eligible exchange and the issuer is not an issuer:
 - (i) whose operations have ceased; or
 - (ii) whose principal asset is cash, cash equivalents, or its exchange listing.

“2.3 Alternative Qualification Criteria for Issuers of Approved Rating Non-Convertible Securities

(1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible securities in the local jurisdiction, if the following criteria are satisfied:

- (a) the issuer is an electronic filer under NI 13-101;
- (b) the issuer is a reporting issuer in at least one jurisdiction of Canada;

- (c) the issuer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction:
 - (i) under applicable securities legislation;
 - (ii) pursuant to an order issued by the securities regulatory authority; or
 - (iii) pursuant to an undertaking to the securities regulatory authority;
 - (d) the issuer has, in at least one jurisdiction in which it is a reporting issuer:
 - (i) current annual financial statements; and
 - (ii) a current AIF;
 - (e) the securities to be distributed:
 - (i) have received an approved rating on a provisional basis;
 - (ii) are not the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and
 - (iii) have not received a provisional or final rating lower than an approved rating from any approved rating organization.
- (2) Paragraph (1)(e) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

“2.4 Alternative Qualification Criteria for Issuers of Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives

- (1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives in the local jurisdiction, if the following criteria are satisfied:
- (a) a credit supporter has provided full and unconditional credit support for the securities being distributed;
 - (b) at least one of the following is true:
 - (i) the credit supporter satisfies the criteria in paragraphs 2.2(a), (b), (c) and (d) if the word ‘issuer’ is replaced with ‘credit supporter’ wherever it occurs;
 - (ii) the credit supporter is a U.S. credit supporter and the issuer is incorporated or organized under the laws of Canada or a jurisdiction of Canada;

(c) unless the credit supporter satisfies the criteria in paragraph 2.2(e) if the word 'issuer' is replaced with 'credit supporter' wherever it occurs, at the time the preliminary short form prospectus is filed:

(i) the credit supporter has outstanding non-convertible securities that:

(A) have received an approved rating;

(B) have not been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(C) have not received a rating lower than an approved rating from any approved rating organization; and

(ii) the securities to be issued by the issuer:

(A) have received an approved rating on a provisional basis;

(B) have not been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(C) have not received a provisional or final rating lower than an approved rating from any approved rating organization.

(2) Subparagraph (1)(c)(ii) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

“2.5 Alternative Qualification Criteria for Issuers of Guaranteed Convertible Debt Securities or Preferred Shares - An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of convertible debt securities or convertible preferred shares in the local jurisdiction, if the following criteria are satisfied:

(a) the debt securities or the preferred shares are convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed;

(b) the credit supporter satisfies the criteria in section 2.2 if the word 'issuer' is replaced with 'credit supporter' wherever it occurs.

“2.6 Alternative Qualification Criteria for Issuers of Asset-Backed Securities

(1) An issuer established in connection with a distribution of asset-backed securities is qualified to file a prospectus in the form of a short form prospectus for a distribution of asset-backed securities in the local jurisdiction, if the following criteria are satisfied:

(a) the issuer is an electronic filer under NI 13-101;

(b) the issuer has, in at least one jurisdiction of Canada:

(i) current annual financial statements; and

(ii) a current AIF;

- (c) the asset-backed securities to be distributed:
 - (i) have received an approved rating on a provisional basis;
 - (ii) have not been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and
 - (iii) have not received a provisional or final rating lower than an approved rating from any approved rating organization.
- (2) Paragraph (1)(c) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

“2.7 Exemptions for New Reporting Issuers and Successor Issuers

- (1) Paragraph 2.2(d), paragraph 2.3(1)(d) and paragraph 2.6(1)(b) do not apply to an issuer if:
 - (a) the issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet been required under the applicable CD rule to file annual financial statements; and
 - (b) unless the issuer is seeking qualification under section 2.6, the issuer has filed and obtained a receipt for a final prospectus that included the issuer’s comparative annual financial statements for its most recently completed financial year or the financial year immediately preceding its most recently completed financial year, together with the auditor’s report accompanying those financial statements and, if there has been a change of auditors since the comparative period, an auditor’s report on the financial statements for the comparative period.
- (2) Paragraph 2.2(d), paragraph 2.3(1)(d) and paragraph 2.6(1)(b) do not apply to an issuer if:
 - (a) the successor issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet, since the completion of the reorganization which resulted in the successor issuer, been required under the applicable CD rule to file annual financial statements; and
 - (b) an information circular relating to the reorganization that resulted in the successor issuer was filed by the successor issuer or an issuer that was a party to the reorganization, and such information circular:
 - (i) complied with applicable securities legislation; and
 - (ii) included disclosure in accordance with Item 14.2 or 14.5 of Form 51-102F5 for the successor issuer.

“2.8 Notice of Intention and Transition

(1) An issuer is not qualified to file a short form prospectus under this Part unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the issuer filing its first preliminary short form prospectus after the notice:

- (a) with its notice regulator; and
- (b) in substantially the form of Appendix A.

(2) The notice under subsection (1) is effective until withdrawn.

(3) For the purposes of subsection (1), ‘notice regulator’ means, as determined on the date the notice is filed, the securities regulatory authority or regulator of the jurisdiction of Canada:

- (a) in which the issuer’s head office is located, if the issuer is not an investment fund and the issuer is a reporting issuer in that jurisdiction;
- (b) in which the investment fund manager’s head office is located, if the issuer is an investment fund and the issuer is a reporting issuer in that jurisdiction; or
- (c) with which the issuer has determined that it has the most significant connection, if paragraphs (a) and (b) do not apply to the issuer.

(4) For the purposes of this section, if, on December 29, 2005, an issuer had a current AIF under National Instrument 44-101 Short Form Prospectus Distributions that was in force on December 29, 2005, the issuer is deemed to have filed a notice on December 14, 2005 declaring its intention to be qualified to file a short form prospectus.

(5) For the purposes of this Part, if, on December 29, 2005, an issuer or a credit supporter had an annual information form in Form 44-101F1 AIF, prior to its repeal on May 18, 2005, that was a current AIF under National Instrument 44-101 Short Form Prospectus Distributions that was in force on December 29, 2005, the issuer or credit supporter is deemed to have a current AIF under this Part until the date it is first required under the applicable CD rule to file its annual financial statements.

“PART 3 DEEMED INCORPORATION BY REFERENCE

“3.1 Deemed Incorporation by Reference of Filed Documents - If an issuer does not incorporate by reference in its short form prospectus a document required to be incorporated by reference under section 11.1 or 12.1 of Form 44-101F1, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer’s short form prospectus as of the date of the short form prospectus to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.

“3.2 Deemed Incorporation by Reference of Subsequently Filed Documents -

If an issuer does not incorporate by reference in its short form prospectus a subsequently filed document required to be incorporated by reference under section 11.2 or 12.1 of Form 44-101F1, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer's short form prospectus as of the date the issuer filed the document to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.

“3.3 Incorporation by Reference - A document deemed by this Instrument to be incorporated by reference in another document is deemed for purposes of securities legislation to be incorporated by reference in the other document.

“PART 4 FILING REQUIREMENTS FOR A SHORT FORM PROSPECTUS**“4.1 Required Documents for Filing a Preliminary Short Form Prospectus -**

An issuer that files a preliminary short form prospectus shall:

- (a) file the following with the preliminary short form prospectus:
 - (i) **Signed Copy** - a signed copy of the preliminary short form prospectus;
 - (ii) **Qualification Certificate** - a certificate, dated as of the date of the preliminary short form prospectus, executed on behalf of the issuer by one of its executive officers:
 - (A) specifying which of the qualification criteria set out in Part 2 the issuer is relying on in order to be qualified to file a prospectus in the form of a short form prospectus; and
 - (B) certifying that:
 - (I) all of those qualification criteria have been satisfied; and
 - (II) all of the material incorporated by reference in the preliminary short form prospectus and not previously filed is being filed with the preliminary short form prospectus;
 - (iii) **Material Incorporated by Reference** - copies of all material incorporated by reference in the preliminary short form prospectus and not previously filed;
 - (iv) **Material Documents** - copies of all documents referred to in subsection 12.1(1) or 12.2(1) of NI 51-102 or section 16.4 of NI 81-106, as applicable, that relate to the securities being distributed, and that have not previously been filed;
 - (v) **Mining Reports** - if the issuer has a mineral project, the technical reports required to be filed with a preliminary short form prospectus under NI 43-101;

(vi) **Reports and Valuations** - a copy of each report or valuation referred to in the preliminary short form prospectus for which a consent is required to be filed under section 4.4 and that has not previously been filed, other than a technical report that:

(A) deals with a mineral project or oil and gas activities; and

(B) is not otherwise required to be filed under paragraph (v); and

(b) deliver to the regulator, concurrently with the filing of the preliminary short form prospectus, the following:

(i) **Authorization to Collect, Use and Disclose Personal Information** - an authorization in the form set out in Appendix B to the indirect collection, use and disclosure of personal information including, for each director and executive officer of an issuer, each promoter of the issuer or, if the promoter is not an individual, each director and executive officer of the promoter, for whom the issuer has not previously delivered the information;

(ii) **Auditor's Comfort Letter regarding Audited Financial Statements** - a signed letter to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of an issuer or a business included in a preliminary short form prospectus is accompanied by an unsigned audit report.

4.2 Required Documents for Filing a Short Form Prospectus - An issuer that files a short form prospectus shall:

(a) file the following with the short form prospectus:

(i) **Signed Copy** - a signed copy of the short form prospectus;

(ii) **Material Incorporated by Reference** - copies of all material incorporated by reference in the short form prospectus and not previously filed;

(iii) **Material Documents** - copies of all documents referred to in subsection 12.1(1) or 12.2(1) of NI 51-102 or section 16.4 of NI 81-106, as applicable, that relate to the securities being distributed, and that have not previously been filed;

(iv) **Other Reports and Valuations** - a copy of each report or valuation referred to in the short form prospectus, for which a consent is required to be filed under section 4.4 and that has not previously been filed, other than a technical report that:

(A) deals with a mineral project or oil and gas activities of the issuer; and

(B) is not otherwise required to be filed under subparagraph 4.1(a)(v);

(v) **Issuer's Submission to Jurisdiction** - a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix C, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;

(vi) **Non-Issuer's Submission to Jurisdiction** - a submission to jurisdiction and appointment of agent for service of process of the selling security holder, promoter or credit supporter, as applicable, in the form set out in Appendix D, if a selling security holder, promoter or credit supporter of an issuer is incorporated or organized under a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;

(vii) **Expert's Consents** - the consents required to be filed under section 4.4;

(viii) **Credit Supporter's Consent** - the written consent of the credit supporter to the inclusion of its financial statements in the short form prospectus, if financial statements of a credit supporter are required under section 12.1 of Form 44-101F1 to be included in a short form prospectus and a certificate of the credit supporter is not required under section 21.3 of Form 44-101F1 to be included in the short form prospectus; and

(b) deliver the following to the regulators, no later than the filing of the short form prospectus:

(i) **Blacklined Prospectus** - a copy of the short form prospectus, blacklined to show changes from the preliminary short form prospectus;

(ii) **Undertaking in Respect of Credit Supporter Disclosure** - if disclosure about a credit supporter is required to be included in the short form prospectus under section 12.1 of Form 44-101F1, an undertaking of the issuer, in a form acceptable to the regulators, to file the periodic and timely disclosure of the credit supporter similar to the disclosure required under section 12.1 of Form 44-101F1, for so long as the securities being distributed are issued and outstanding.

“4.3 Review of Unaudited Financial Statements

(1) Any unaudited financial statements of an issuer or an acquired business included in or incorporated by reference into a short form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by an entity's auditor or a public accountant's review of financial statements.

(2) Despite subsection (1):

(a) if the financial statements of the issuer or acquired business have been audited in accordance with U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(b) if the financial statements of the issuer or acquired business have been audited in accordance with International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with international review standards, or

(c) if the financial statements of the issuer or acquired business have been audited in accordance with auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject.

“4.4 Consents of Experts

(1) If any solicitor, auditor, accountant, engineer or appraiser, or any other person or company whose profession or business gives authority to a statement made by that person or company, is named in a short form prospectus or an amendment to a short form prospectus, either directly or in a document incorporated by reference:

(a) as having prepared or certified any part of the short form prospectus or the amendment;

(b) as having opined on financial statements from which selected information included in the short form prospectus has been derived and which audit opinion is referred to in the short form prospectus either directly or in a document incorporated by reference; or

(c) as having prepared or certified a report or valuation referred to in the short form prospectus or the amendment, either directly or in a document incorporated by reference;

the issuer shall file no later than the time the short form prospectus or the amendment is filed, the written consent of the person or company to being named and to the use of that report, valuation, statement or opinion.

(2) The consent referred to in subsection (1) shall:

(a) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion; and

(b) contain a statement that the person or company referred to in subsection (1):

(i) has read the short form prospectus; and

(ii) has no reason to believe that there are any misrepresentations in the information contained in it that are:

(A) derived from the report, valuation, statement or opinion; or

(B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.

- (3) In addition to any other requirement of this section, the consent of an auditor or accountant shall also state:
- (a) the dates of the financial statements on which the report of the person or company is made; and
 - (b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the short form prospectus that are:
 - (i) derived from the financial statements on which the person or company has reported; or
 - (ii) within the knowledge of the person or company as a result of the audit of the financial statements.
- (4) Subsection (1) does not apply to an approved rating organization that issues a rating to the securities being distributed under the preliminary short form prospectus or short form prospectus.

“4.5 Language of Documents

- (1) A person or company must file a document required to be filed under this Instrument in the French language or in the English language.
- (2) Despite subsection (1), if a person or company files a document only in the French language or only in the English language but delivers to an investor or prospective investor 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 the investor or prospective investor.
- (3) In Québec, the preliminary short form prospectus, the short form prospectus, the permanent information record and any document incorporated by reference must be in the French language or in the French language and the English language.

“PART 5 AMENDMENTS TO A SHORT FORM PROSPECTUS

“5.1 Form of Amendment

- (1) An amendment to a preliminary short form prospectus or a short form prospectus shall consist of either an amendment that does not fully restate the text of the preliminary short form prospectus or short form prospectus or an amended and restated preliminary short form prospectus or short form prospectus.
- (2) An amendment to a preliminary short form prospectus or a short form prospectus shall contain the certificates required by securities legislation and, in the case of an amendment that does not fully restate the text of the preliminary short form prospectus or short form prospectus, shall be numbered and dated as follows:

‘Amendment No. [insert amendment number] dated [insert date of amendment] to [Preliminary] Short Form Prospectus dated [insert date of preliminary short form prospectus or short form prospectus].’

“5.2 Required Documents for Filing an Amendment - An issuer that files an amendment to a preliminary short form prospectus or short form prospectus shall:

- (a) file a signed copy of the amendment;
- (b) deliver to the regulator a copy of the preliminary short form prospectus or short form prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the preliminary short form prospectus or short form prospectus;
- (c) file or deliver any supporting documents required under this Instrument or other provisions of securities legislation to be filed or delivered with a preliminary short form prospectus or a short form prospectus, as the case may be, unless the documents originally filed or delivered with the preliminary short form prospectus or short form prospectus as the case may be, are correct as of the date the amendment is filed; and
- (d) in case of an amendment to a short form prospectus, file any consent letter required under this Instrument to be filed with a short form prospectus, dated as of the date of the amendment.

“5.3 Auditor’s Comfort Letter - If an amendment to a preliminary short form prospectus materially affects, or relates to, an auditor’s comfort letter delivered under section 4.1, the issuer shall deliver with the amendment a new auditor’s comfort letter.

“5.4 Forwarding Amendments - An amendment to a preliminary short form prospectus shall be forwarded to each recipient of the preliminary short form prospectus according to the record of recipients to be maintained under securities legislation.

“5.5 Amendment to Preliminary Short Form Prospectus

- (1) The regulator shall issue a receipt for an amendment to a preliminary short form prospectus as soon as reasonably possible after the amendment is filed.
- (2) Despite subsection (1), in British Columbia, the regulator shall issue a receipt for an amendment to a preliminary short form prospectus in accordance with the Securities Act (British Columbia).

“5.6 Amendment to Short Form Prospectus

- (1) If, after a receipt is issued for a short form prospectus but prior to the completion of the distribution under such short form prospectus, securities in addition to the securities previously disclosed in the prospectus are to be distributed, the person or company making the distribution must file an amendment to the short form prospectus disclosing the additional securities, as soon as practical, and in any event no later than 10 days after the decision to increase the number of securities offered is made.

(2) The regulator shall issue a receipt for an amendment to a short form prospectus required to be filed under this section or under securities legislation unless the regulator considers that it is not in the public interest to do so, or unless otherwise required by securities legislation.

(3) The regulator shall not refuse to issue a receipt under subsection (2) without giving the person or company who filed the short form prospectus an opportunity to be heard.

(4) A distribution or an additional distribution must not proceed until a receipt for an amendment to a short form prospectus that is required to be filed is issued by the regulator.

“PART 6 NON-FIXED PRICE OFFERINGS AND REDUCTION OF OFFERING PRICE UNDER SHORT FORM PROSPECTUS

“6.1 Non-Fixed Price Offerings and Reduction of Offering Price under Short Form Prospectus

(1) Every security distributed under a short form prospectus shall be distributed at a fixed price.

(2) Despite subsection (1), securities for which the issuer is qualified under Part 2 to file a prospectus in the form of a short form prospectus may be distributed for cash at non-fixed prices under a short form prospectus if, at the time of the filing of the preliminary short form prospectus, the securities have received a rating, on a provisional or final basis, from at least one approved rating organization.

(3) Despite subsection (1), if securities are distributed for cash under a short form prospectus, the price of the securities may be decreased from the initial offering price disclosed in the short form prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the short form prospectus to reflect the change, if:

(a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price;

(b) the proceeds to be received by the issuer or selling security holders or by the issuer and selling security holders are disclosed in the short form prospectus as being fixed; and

(c) the underwriters have made a reasonable effort to sell all of the securities distributed under the short form prospectus at the initial offering price disclosed in the short form prospectus.

(4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights shall be fixed.

“PART 7 SOLICITATIONS OF EXPRESSIONS OF INTEREST

“7.1 Solicitations of Expressions of Interest - The prospectus requirement does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be qualified for distribution under a short form prospectus in accordance with this Instrument, if:

- (a) the issuer has entered into an enforceable agreement with an underwriter who has, or underwriters who have, agreed to purchase the securities;
- (b) the agreement referred to in paragraph (a) has fixed the terms of the distribution and requires that the issuer file a preliminary short form prospectus for the securities and obtain from the regulator a receipt, dated as of a date that is not more than four business days after the date that the agreement is entered into, for the preliminary short form prospectus;
- (c) the issuer has issued and filed a news release announcing the agreement immediately upon entering into the agreement;
- (d) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company who has expressed an interest in acquiring the securities; and
- (e) except as provided in paragraph (a), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt obtained.

“PART 8 EXEMPTION**“8.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from the provisions of 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.
- (3) An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.
- (4) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

“8.2 Evidence of Exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part, from Part 2 or subsection 4.5(3), may be evidenced by the issuance of a receipt for a short form prospectus or an amendment to a short form prospectus.

(2) An exemption under this Part may be evidenced in the manner set out in subsection (1) only if:

- (a) the person or company that sought the exemption:
 - (i) sent to the regulator the letter or memorandum referred to in subsection 8.1(3) on or before the date of the filing of the preliminary short form prospectus; or
 - (ii) sent to the regulator the letter or memorandum referred to in subsection 8.1(3) after the date of the filing of the preliminary short form prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
- (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

“PART 9 TRANSITION, REPEAL AND EFFECTIVE DATE

“9.1 Applicable Rules - A short form prospectus may, at the issuer’s option be prepared in accordance with securities legislation in effect at either the date of issuance of a receipt for the preliminary short form prospectus or the date of issuance of a receipt for the short form prospectus.

“9.2 Repeal - National Instrument 44-101 *Short Form Prospectus Distributions* and Form 44-101F3 *Short Form Prospectus* are repealed.

“9.3 Effective Date - This Instrument comes into force on December 30, 2005.

“NATIONAL INSTRUMENT 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS

“APPENDIX A NOTICE DECLARING INTENTION TO BE QUALIFIED UNDER NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS* (‘NI 44-101’)

[date]

To: [the issuer’s notice regulator (as defined in subsection 2.8(2) of NI 44-101), and any other securities regulatory authority or regulator of a jurisdiction of Canada with whom the issuer may voluntarily file this notice]

[name of issuer] (the ‘Issuer’) intends to be qualified to file a short form prospectus under NI 44-101. The Issuer acknowledges that it must satisfy all applicable qualification criteria prior to filing a preliminary short form prospectus. This notice does not evidence the Issuer’s intent to file a short form prospectus, to enter into any particular financing or transaction or to become a reporting issuer in any jurisdiction. This notice will remain in effect until withdrawn by the Issuer.

[signature of Issuer]

[name and title of duly authorized signing officer of Issuer]

**“NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS**

**“APPENDIX B
AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

The attached Schedule 1 contains information concerning the full name, position with or relationship to the issuer named below (the ‘Issuer’), name and address of employer, if other than the Issuer, full residential address, date and place of birth and citizenship (the ‘Information’) of each director, executive officer, and any promoter of the issuer, and, in the case of a promoter, of each director and executive officer of the promoter. The Issuer is required by securities legislation to deliver the Information to the regulators listed in Schedule 2, unless the Information was previously delivered.

The Issuer confirms that each person or company listed in Schedule 1:

- (a) has been notified by the Issuer:
- (i) of the Issuer’s delivery to the regulator of the Information in Schedule 1 pertaining to that person or company,
 - (ii) that the Information is being collected indirectly by the regulator under the authority granted to it in securities legislation,
 - (iii) that the Information is being collected and used for the purpose of enabling the regulator to administer and enforce securities legislation, including those obligations that require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders, and
 - (iv) of the contact, business address and business telephone number of the regulator in the local jurisdiction as set out in the attached Schedule 2, who can answer questions about the regulator’s indirect collection of the Information; and
- (b) has read and understands and has signed the Notice of Collection, Use and Disclosure of Personal Information by Regulators attached hereto as Schedule 3; and
- (c) has, by signing the Notice, authorized the indirect collection, and use and disclosure of the Information by the regulator as described in Schedule 3.

Date: _____

Name of Issuer

Per: _____

Name

Official Capacity

(Please print the name of the individual whose signature appears in the official capacity)

**“Schedule 1 to
Authorization of Indirect
Collection, Use and Disclosure of Personal Information**

“Personal Information

[Name of Issuer]

Part 1

Full Name (including previous name(s) if any)	Position with or Relationship to Issuer	Name and Address of Employer, if other than Issuer	Full Residential Address	Date and Place of Birth	Citizenship
---	---	--	--------------------------------	-------------------------------	-------------

Part 2

For any of the above noted individuals with a residential address outside of Canada, please provide the following additional information:

Full Name	Previous Address(es) (5-year history)	Dates Residing in Foreign Country	Height and Weight	Eye Colour	Hair Colour	Passport Nationality and Number
--------------	--	--	-------------------------	---------------	----------------	---------------------------------------

**“Schedule 2 to
Authorization of Indirect
Collection, Use and Disclosure of Personal Information**

Local Jurisdiction

Regulator

Alberta

Information Officer
Alberta Securities Commission
Suite 400
300 - 5th Avenue S.W
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca
www.albertasecurities.com

British Columbia

Review Officer
British Columbia Securities Commission
P.O. Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1LZ
Telephone: (604) 899-6854
Toll Free within British Columbia and
Alberta: (800) 373-6393
E-mail: inquiries@bcsc.bc.ca
www.bcsc.bc.ca

Manitoba	Director, Corporate Finance The Manitoba Securities Commission 1130 - 405 Broadway Winnipeg, Manitoba R3C 3L6 Telephone: (204) 945-2548 E-mail: securities@gov.mb.ca www.msc.gov.mb.ca
New Brunswick	Director Corporate Finance and Chief Financial Officer New Brunswick Securities Commission Suite 606, 133 Prince William Street Saint John, New Brunswick E2L 4Y9 Telephone: (506) 658-3060 Fax: (506) 658-3059 E-mail: information@nbsc-cvmnb.ca
Newfoundland and Labrador	Director of Securities Department of Government Services and Lands P.O. Box 8700 West Block, 2nd Floor, Confederation Building St. John's, Newfoundland A1B 4J6 Telephone: (709) 729-4189 www.gov.nf.ca/gsl/cca/s
Northwest Territories	Securities Registries Department of Justice Government of the Northwest Territories P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9 www.justice.gov.nt.ca/SecuritiesRegistry/ SecuritiesRegistry.html
Nova Scotia	Deputy Director, Compliance and Enforcement Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-5354 www.gov.ns.ca/nssc
Nunavut	Government of Nunavut Legal Registries Division P.O. Box 1000 CHAPITRE – Station 570 Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590
Ontario	Administrative Assistant to the Director of Corporate Finance Ontario Securities Commission 19th Floor, 20 Queen Street West Toronto, Ontario M5H 2S8 Telephone: (416) 597-0681 E-mail: Inquiries@osc.gov.on.ca www.osc.gov.on.ca

Prince Edward Island	Deputy Registrar, Securities Division Shaw Building 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4550 www.gov.pe.ca/securities
Québec	Autorité des marchés financiers Stock Exchange Tower P.O. Box 246, 22 nd Floor 800 Victoria Square Montréal, Québec H4Z 1G3 Attention: Responsable de l'accès à l'information Telephone: (514) 395-0337 Toll Free in Québec: (877) 525-0337 www.lautorite.qc.ca
Saskatchewan	Director Saskatchewan Financial Services Commission 6 th Floor, 1919 Saskatchewan Drive Regina, Saskatchewan S4P 3V7 Telephone: (306) 787-5842 www.sfsc.gov.sk.ca
Yukon	Registrar of Securities Department of Justice Andrew A. Philipsen Law Centre 2130 - 2nd Avenue, 3rd Floor Whitehorse, Yukon Territory Y1A 5H6 Telephone: (867) 667-5005

**“Schedule 3 to
Authorization of
Indirect Collection, Use and Disclosure of
Personal Information**

**“Notice of Collection, Use and Disclosure of Personal
Information by Regulators**

The regulators listed in Schedule 2 collect the personal information in Schedule 1 to the Authorization of Indirect Collection, Use and Disclosure of Personal Information under the authority granted to them under provincial and territorial securities legislation.

The regulators collect the personal information in Schedule 1 for the purpose of enabling the regulators to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators to refuse to issue a receipt for a prospectus if it appears to the regulators that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders.

You understand that by signing this document, you are consenting to the Issuer submitting your personal information in Schedule 1 (the 'Information') to the regulators and to the collection and use by the regulators of the Information, as well as any other information that may be necessary to administer and enforce provincial and territorial securities legislation. This may include the collection of information from law enforcement agencies, other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, and quotation and trade reporting systems to conduct background checks, verify the Information and perform investigations and conduct enforcement proceedings as required to ensure compliance with provincial and territorial securities legislation.

You also understand and agree that the Information the regulators collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators may also use a third party to process Information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

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

Questions

If you have any questions about the collection, use, and disclosure of the information you provide to the regulators, you may contact the regulator in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 2.

I have read and understand the foregoing and consent to the indirect collection, use and disclosure of the personal information pertaining to me that is set out in the Authorization.

Date: _____

Signature

Name

**“NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS**

**“APPENDIX C
ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of Issuer (the ‘Issuer’):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the ‘Securities’):

5. Date of the short form prospectus (the ‘Short Form Prospectus’) under which the Securities are offered:

6. Name of agent for service of process (the ‘Agent’):

7. Address for service of process of Agent in Canada (the address may be anywhere in Canada):

8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the ‘Proceeding’) arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of:
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Short Form Prospectus; and
 - (b) any administrative proceeding in any such province [or territory], in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus or the obligations of the issuer as a reporting issuer.

10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Issuer

Print name and title of signing
officer of Issuer

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing and,
if Agent is not an individual,
the title of the person

**“NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS**

**“APPENDIX D
NON-ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of Issuer (the ‘Issuer’):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the ‘Securities’):

5. Date of the short form prospectus (the ‘Short Form Prospectus’) under which the Securities are offered:

6. Name of person filing this form (the ‘Filing Person’):

7. Filing Person’s relationship to Issuer:

8. Jurisdiction of incorporation, or equivalent, of Filing Person, if applicable, or jurisdiction of residence of Filing Person:

9. Address of principal place of business of Filing Person:

10. Name of agent for service of process (the ‘Agent’):

11. Address for service of process of Agent in Canada (which address may be anywhere in Canada):

12. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the ‘Proceeding’) arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring the Proceeding.

13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of
- (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Short Form Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],
in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus.
14. Until six years after completion of the distribution of the Securities made under the Short Form Prospectus, the Filing Person shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
15. Until six years after completion of the distribution of the Securities under the Short Form Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.
16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Filing Person

Print name of person signing
and, if the Filing Person is not
an individual, the title of the person

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing
and, if the Agent is not an individual,
the title of the person

**“NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS**

**“FORM 44-101F1
SHORT FORM PROSPECTUS**

INSTRUCTIONS

- (1) The objective of the short form prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to, and, in Québec, not to make any misrepresentation likely to affect the value or market price of, the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) Terms used and not defined in this Form that are defined or interpreted in the Instrument shall bear that definition or interpretation. Other definitions are set out in National Instrument 14-101 Definitions.*
- (3) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgement in the particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*
- (4) Unless an item specifically requires disclosure only in the preliminary short form prospectus, the disclosure requirements set out in this Form apply to both the preliminary short form prospectus and the short form prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary short form prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) Any information required in a short form prospectus may be incorporated by reference in the short form prospectus, other than confidential material change reports. Clearly identify in a short form prospectus any document incorporated by reference. If an excerpt of a document is incorporated by reference, clearly identify the excerpt in the short form prospectus by caption and paragraph of the document. Any material incorporated by reference in a short form prospectus is required under sections 4.1 and 4.2 of the Instrument to be filed with the short form prospectus unless it has been previously filed.*

(6) *The disclosure must be understandable to readers and presented in an easy to read format. The presentation of information should comply with the plain language principles listed in section 4.2 of Companion Policy 44-101CP Short Form Prospectus Distributions. If technical terms are required, clear and concise explanations should be included.*

(7) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

(8) *Where the term 'issuer' is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, and in Québec, disclosure of all material facts likely to affect the value or the market price of the securities to be distributed, to also include disclosure with respect to the issuer's subsidiaries and investees. If it is more likely than not that a person or company will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person or company.*

(9) *An issuer that is a special purpose entity may have to modify the disclosure items to reflect the special purpose nature of its business.*

(10) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

(11) *If the term 'class' is used in any item to describe securities, the term includes a series of a class.*

(12) *Disclosure in a preliminary short form prospectus or short form prospectus must be consistent with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101) if the issuer is engaged in oil and gas activities (as defined in NI 51-101).*

"Item 1 Cover Page Disclosure

"1.1 Required Language - State in italics at the top of the cover page the following:

'No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.'

"1.2 Preliminary Short Form Prospectus Disclosure - Every preliminary short form prospectus shall have printed in red ink and italics on the top of the cover page the following, with the bracketed information completed:

'A copy of this preliminary short form prospectus has been filed with the securities regulatory authority[ies] in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authority[ies].'

INSTRUCTION

Issuers shall complete the bracketed information by:

- (a) *inserting the names of each jurisdiction in which the issuer intends to offer securities under the short form prospectus;*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) *identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdiction]).*

“1.3 Disclosure Concerning Documents Incorporated by Reference - State the following in italics on the cover page, with the first sentence in bold type and the bracketed information completed:

***Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the issuer at [insert complete address and telephone number], and are also available electronically at www.sedar.com. [Insert if the offering is made in Québec - “For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the secretary of the issuer at the above-mentioned address and telephone number and is also available electronically at www.sedar.com.”]*

“1.4 Basic Disclosure about the Distribution - State the following, immediately below the disclosure required under sections 1.1, 1.2 and 1.3, with the bracketed information completed:

[PRELIMINARY] SHORT FORM PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]

(Date)

[Name of Issuer]

[number and type of securities qualified for distribution under the short form prospectus, including any options or warrants, and the price per security]

“1.5 Name and Address of Issuer - State the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the issuer’s head and registered office.

“1.6 Distribution

(1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commissions (b)	Proceeds to issuer or selling security holders (c)
Per security			
Total			

(2) If there is an over-allotment option, describe the terms of the option and the fact that the short form prospectus qualifies both the grant of the option and the issuance or transfer of securities that will be issued or transferred if the option is exercised.

(3) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum subscriptions, if applicable.

(4) If debt securities are distributed at a premium or a discount, state in bold type the effective yield if held to maturity.

(5) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(6) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling security holder and discounts granted. Set out in a note to the table:

(a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling security holder;

(b) consideration other than discounts granted and cash paid or payable by the issuer or selling security holder, other than securities described in section 1.10 below; and

(c) any finder's fees or similar required payment.

(7) If a security is being distributed for the account of a selling security holder, state the name of the selling security holder and a cross-reference to the applicable section in the short form prospectus where further information about the selling security holder is provided. State the portion of expenses of the distribution to be borne by the selling security holder and, if none of the expenses of the distribution are being borne by the selling security holder, include a statement to that effect and discuss the reasons why this is the case.

“1.7 Non-Fixed Price Distributions - If the securities are being distributed at non-fixed prices, disclose:

- (a) the discount allowed or commission payable to the underwriter;
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter’s compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling security holder;
- (c) that the securities to be distributed under the short form prospectus will be distributed, as applicable, at:
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale, or
 - (iii) prices to be negotiated with purchasers;
- (d) that prices may vary as between purchasers and during the period of distribution;
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date;
- (f) if the price of the securities will be the market price prevailing at the time of sale, the market price at the latest practicable date; and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling security holder.

“1.8 Reduced Price Distributions - If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price disclosed in the short form prospectus, include in bold type a cross-reference to the section in the short form prospectus where disclosure concerning the possible price decrease is provided.

“1.9 Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market and provide a cross-reference to the section in the short form prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the short form prospectus exists or is to exist after the distribution, state the following in bold type:

‘There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors.’

“1.10 Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of National Instrument 33-105 *Underwriting Conflicts* for cover page prospectus disclosure.
- (3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter’s obligations are subject to conditions, state the following, with the bracketed information completed:

‘We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution.’

- (4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the short form prospectus.
- (5) If there is no underwriter involved in the distribution, provide a statement in bold type to the effect that no underwriter has been involved in the preparation of the short form prospectus or performed any review of the contents of the short form prospectus.
- (6) Provide the following tabular information:

Underwriters’ Position	Maximum size or number of securities held	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer			
Total securities under option			
Other compensation securities			

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*
- (2) *If debt securities are being distributed, express the information as a percentage.*

“1.11 International Issuers - If the issuer, a selling security holder, a credit supporter of the securities being distributed under the short form prospectus or a promoter of the issuer is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada state the following on the cover page or under a separate heading elsewhere in the short form prospectus, with the bracketed information completed:

‘The [issuer, selling security holder, credit supporter and/or promoter] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the issuer, selling security holder, credit supporter and/or promoter] has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to collect from [the issuer, selling security holder, credit supporter or promoter] judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation.’

“1.12 Restricted Securities – If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

“1.13 Earnings Coverage Ratios – If any of the earnings coverage ratios required to be disclosed under section 6.1 is less than one-to-one, disclose this fact in bold type.

“Item 2 Summary Description of Business

“2.1 Summary of Description of Business - Provide a brief summary on a consolidated basis of the business carried on and intended to be carried on by the issuer.

“Item 3 Consolidated Capitalization

“3.1 Consolidated Capitalization - Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer’s financial statements most recently filed in accordance with the applicable CD rule, including any material change that will result from the issuance of the securities being distributed under the short form prospectus.

“Item 4 Use of Proceeds

“4.1 Proceeds - State the estimated net proceeds to be received by the issuer or selling security holder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling security holder from the sale of the securities distributed. If the short form prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

“4.2 Principal Purposes

(1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer. If the closing of the distribution is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

(2) If more than 10 percent of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used and, if the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and the outstanding amount owed.

“Item 5 Plan of Distribution

“5.1 Disclosure of Market Out - If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter’s obligations are subject to conditions, include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

‘Under an agreement dated [insert date of agreement] between [insert name of issuer or selling security holder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling security holder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling security holder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.’

“5.2 Best Efforts Offering - Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 5.1.

“5.3 Determination of Price - Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process for determining the estimates.

“5.4 Over-Allotments - If the issuer, a selling security holder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, disclose this information.

“5.5 Minimum Distribution - If a minimum amount of funds is required under the issue and the securities are to be distributed on a best efforts basis, state the minimum amount required to be raised and the maximum that could be raised. Also indicate that the distribution will not continue for a period of more than 90 days after the date of the receipt for the short form prospectus if subscriptions representing the minimum amount of funds are not obtained within that period, unless each of the persons and companies who subscribed within that period has consented to the continuation. State that during that period funds received from subscriptions will be held by a depository who is a registrant, bank or trust company and if the minimum amount of funds is not raised, the funds will be returned to the subscribers unless the subscribers have otherwise instructed the depository.

“5.6 Reduced Price Distributions - If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price disclosed in the short form prospectus and thereafter change, from time to time, the price at which securities are distributed under the short form prospectus in accordance with the procedures permitted by the Instrument, disclose that, after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the short form prospectus, the offering price may be decreased, and further changed from time to time, to an amount not greater than the initial offering price disclosed in the short form prospectus and that the compensation realized by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling security holder.

“5.7 Listing Application - If application has been made to list or quote the securities being distributed, include a statement in substantially the following form with the bracketed information completed:

‘The issuer has applied to [list/quote] the securities distributed under this short form prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market].’

“5.8 Conditional Listing Approval - If application has been made to list or quote the securities being distributed and conditional listing approval has been received, include a statement in substantially the following form, with the bracketed information completed:

‘[name of exchange or other market] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of the issuer] fulfilling all of the requirements of the [name of exchange or market] on or before [date], [including distribution of these securities to a minimum number of public security holders.]’

“5.9 Constraints - If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

“Item 6 Earnings Coverage Ratios

“6.1 Earnings Coverage Ratios

(1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):

1. The earnings coverage ratio based on the most recent 12-month period included in the issuer’s current annual financial statements. If there has been a change in year end and the issuer’s most recent financial year is less than nine months in length, also disclose the earnings coverage calculation for its old financial year. If the issuer’s financial year is less than 12 months in length, the earnings coverage should be calculated on an annualized basis.

2. The earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been, or are required to have been, incorporated by reference into the short form prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect:
 - (a) the issuance of the securities being distributed under the short form prospectus, based on the price at which these securities are expected to be distributed;
 - (b) in the case of a distribution of preferred shares:
 - (i) the issuance of all preferred shares issued since the date of the annual or interim financial statements, and
 - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the short form prospectus;
 - (c) the issuance of all long-term financial liabilities, as defined in accordance with the issuer's GAAP;
 - (d) the repayment, redemption or other retirement of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the short form prospectus; and
 - (e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.
 - (3) If the issuer is distributing, or has outstanding, debt securities that are accounted for, in whole or in part, as equity, disclose in notes to the ratios required under subsection (1):
 - (a) that the ratios have been calculated excluding the carrying charges for those securities that have been reflected in equity in the calculation of the issuer's interest and dividend obligations;
 - (b) that if those securities had been accounted for in their entirety as debt for the purpose of calculating the ratios required under subsection (1), the entire amount of the annual carrying charges for those securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and
 - (c) the earnings coverage ratios for the periods referred to in subsection (1), calculated as though those securities had been accounted for as debt.
 - (4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.
 - (5) If the short form prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratio and disclose it in the prospectus.

INSTRUCTIONS

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation:*
 - (a) *the numerator should be calculated using consolidated net income before interest and income taxes;*
 - (b) *imputed interest income from the proceeds of a distribution should not be added to the numerator;*
 - (c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items;*
 - (d) *for distributions of debt securities, the appropriate denominator is interest expense determined in accordance with the issuer's GAAP, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period;*
 - (e) *for distributions of preferred shares:*
 - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, and*
 - (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and*
 - (f) *for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the short form prospectus.*
- (4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect:*
 - (a) *the issuance of all long-term debt and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements;*
 - (b) *the issuance of the securities that are to be distributed under the short form prospectus, based on a reasonable estimate of the price at which these securities will be distributed;*

(c) *the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus; and*

(d) *the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.*

(5) *In certain circumstances, debt obligations may be classified as current liabilities because such obligations, by their terms, are due on demand, are due within one year, or are callable by the creditor. If the issuer is distributing, or has outstanding, debt securities that are classified as current liabilities, disclose:*

(a) *in the notes to the ratios required under subsection 6.1(1) that the ratios have been calculated excluding the carrying charges for those debt securities reflected as current liabilities;*

(b) *that if those debt securities had been classified in their entirety as long term debt for the purposes of calculating the ratios under subsection 6.1(1), the entire amount of the annual carrying charges for such debt securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and*

(c) *the earnings coverage ratios for the periods referred to in subsection 6.1(1), calculated as though those debt securities had been classified as long term debt.*

(6) *For debt securities, disclosure of earnings coverage shall include language similar to the following:*

'[Name of the issuer]'s interest requirements, after giving effect to the issue of [the debt securities to be distributed under the short form prospectus], amounted to \$● for the 12 months ended ●. [Name of the issuer]'s earnings before interest and income tax for the 12 months then ended was \$●, which is ● times [name of the issuer]'s interest requirements for this period.'

(7) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following:*

'[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the short form prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of ●%, amounted to \$● for the 12 months ended ●. [Name of the issuer]'s interest requirements for the 12 months then ended amounted to \$●. [Name of the issuer]'s earnings before interest and income tax for the 12 months ended ● was \$●, which is ● times [name of the issuer]'s aggregate dividend and interest requirements for this period.'

(8) *If the earnings coverage ratio is less than one-to-one, disclose the dollar amount of the coverage deficiency (i.e. the dollar amount of earnings required to attain a ratio of one-to-one).*

(9) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.

“Item 7 Description of Securities Being Distributed

“7.1 Equity Securities - If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics that are not described elsewhere in a document incorporated by reference in the short form prospectus including, as applicable:

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a securityholder to contribute additional capital.

“7.2 Debt Securities - If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt that are not described elsewhere in a document incorporated by reference in the short form prospectus, including:

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

“7.3 Asset-backed Securities - If asset-backed securities are being distributed, describe:

- (a) the material attributes and characteristics of the asset-backed securities, including:
 - (i) the rate of interest or stipulated yield and any premium;
 - (ii) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial asset;
 - (iii) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital;
 - (iv) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer;
 - (v) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets; and
 - (iv) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets;
- (b) information on the underlying pool of financial assets, for the period from the date as at which the following information was presented in the issuer's current AIF to a date not more than 90 days before the date of the issuance of a receipt for the preliminary short form prospectus, of:
 - (i) the composition of the pool as of the end of the period;
 - (ii) income and losses from the pool for the period, presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets; and
 - (iii) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
- (c) the type or types of the financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets;

-
- (d) any person or company who:
- (i) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so;
 - (ii) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity;
 - (iii) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if:
 - (A) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely;
 - (B) a replacement provider of the services is likely to achieve materially worse results than the current provider;
 - (C) the current provider of the services is likely to default in its service obligations because of its current financial condition; or
 - (D) the disclosure is otherwise material;
 - (iv) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so; or
 - (v) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so;
- (e) the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in paragraph (d);
- (f) the terms of any material relationships between:
- (i) any of the persons or companies referred to in paragraph (d) or any of their respective affiliates; and
 - (ii) the issuer;
- (g) any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in paragraph (d) and the terms on which a replacement may be appointed; and
- (h) any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

INSTRUCTIONS

(1) *Present the information required under paragraph (b) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in clause (a)(vi) have occurred, are being satisfied or may be satisfied.*

(2) *If the information required under paragraph (b) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected such that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with paragraph (b) by providing the information required based on the larger pool and disclosing that it has done so.*

(3) *Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in paragraph (d) and the contractual arrangements underlying the asset-backed securities is encouraged.*

“7.4 Derivatives - If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including:

- (a) the calculation of the value or payment obligations under the derivatives;
- (b) the exercise of the derivatives;
- (c) the settlement of exercises of the derivatives;
- (d) the underlying interest of the derivatives;
- (e) the role of a calculation expert in connection with the derivatives;
- (f) the role of any credit supporter of the derivatives; and
- (g) the risk factors associated with the derivatives.

“7.5 Other Securities - If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

“7.6 Special Warrants, etc. – If the short form prospectus is used to qualify the distribution of securities issued upon the exercise of Special Warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus:

‘In the event that a holder of a Special Warrant, who acquires a [identify underlying security] of the issuer upon the exercise of the Special Warrant as provided for in this short form prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this short form prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder’s exercise of its Special Warrant(s) but also of the private placement transaction pursuant to which the Special Warrant was initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid to the [underwriter or issuer, as the case may be] on the acquisition of the Special Warrant. In the event such holder is a permitted

assignee of the interest of the original Special Warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the Special Warrant under applicable securities legislation or otherwise at law.’

INSTRUCTION

If the short form prospectus is qualifying the distribution of securities issued upon the exercise of securities other than Special Warrants, replace the term “Special Warrant” with the type of the security being distributed.

“7.7 Restricted Securities

(1) If the issuer has outstanding, or proposes to distribute under the short form prospectus, restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of:

(a) the voting rights attached to the restricted securities and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same or greater on a per security basis than those attached to the restricted securities;

(b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities 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 restricted securities; and

(c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled.

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection shall include, in bold type, a statement of the rights the holders do not have.

(3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer’s securities that will be represented by restricted securities after giving effect to the issuance of the securities being offered.

“7.8 Modification of Terms - Describe provisions as to modification, amendment or variation of any rights or other terms attached to the securities being distributed. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

“7.9 Ratings - If one or more ratings, including provisional ratings or stability ratings, have been received from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose:

- (a) each security rating, including a provisional rating or stability rating, received from an approved rating organization;
- (b) the name of each approved rating organization that has assigned a rating for the securities to be distributed;
- (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization’s classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed 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 to be distributed;
- (f) a statement that a security rating or a stability 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, or any proposed announcement known to the issuer to be 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 paragraph.

“7.10 Other Attributes

- (1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This Item requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer’s discretion, be attached as a schedule to the prospectus.

“Item 8 Selling Security Holder

“8.1 Selling Security Holder - If any of the securities being distributed are to be distributed for the account of a security holder, state the following:

- 1. The name of the security holder.
- 2. The number or amount of securities owned by the security holder of the class being distributed.
- 3. The number or amount of securities of the class being distributed for the account of the security holder.

4. The number or amount of securities of the issuer of any class to be owned by the security holder after the distribution, and the percentage that number or amount represents of the total outstanding.
5. Whether the securities referred to in paragraph 2, 3 or 4 are owned both of record and beneficially, of record only, or beneficially only.

“Item 9 Mineral Property

“9.1 Mineral Property – If a material part of the proceeds of the distribution is to be expended on a particular mineral property and if the current AIF does not contain the disclosure required under section 5.4 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 of Form 51-102F2.

“Item 10 Significant Acquisitions

“10.1 Significant Acquisitions

- (1) Describe any acquisition:
 - (a) that the issuer has completed within 75 days prior to the date of the short form prospectus;
 - (b) that is a significant acquisition for the purposes of Part 8 of NI 51-102; and
 - (c) for which the issuer has not yet filed a business acquisition report under NI 51-102.
- (2) Describe any proposed acquisition that:
 - (a) has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high; and
 - (b) would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the short form prospectus.
- (3) If disclosure about an acquisition or proposed acquisition is required under subsection (1) or (2), include financial statements or other information of the acquisition or proposed acquisition if:
 - (a) the acquisition or proposed acquisition is a reverse takeover; or
 - (b) the acquisition or proposed acquisition is not a reverse takeover but the inclusion of the financial statements is necessary for the short form prospectus to contain full, true and plain disclosure of all material facts relating to, and in Québec disclosure of all material facts likely to affect the value or the market price of, the securities being distributed.

INSTRUCTIONS

- (1) *For the description of the acquisition or proposed acquisition, include the information required by sections 2.1 through 2.6 of Form 51-102F4. For a proposed acquisition, modify this information as necessary to convey that the acquisition is not yet completed.*
- (2) *The requirement of subsection (3) must be satisfied by including either (i) the financial statements or other information required by Part 8 of NI 51-102, or (ii) satisfactory alternative financial statements or other information.*

“Item 11 Documents Incorporated by Reference**“11.1 Mandatory Incorporation by Reference**

(1) In addition to any other document that an issuer may choose to incorporate by reference, specifically incorporate by reference in the short form prospectus, by means of a statement in the short form prospectus to that effect, the documents set forth below:

1. The issuer’s current AIF, if it has one.
2. The issuer’s current annual financial statements, if any, and related MD&A.
3. The issuer’s interim financial statements most recently filed or required to have been filed under the applicable CD rule in respect of an interim period, if any, subsequent to the financial year in respect of which the issuer has filed its current annual financial statements or has included annual financial statements in the short form prospectus, and the related interim MD&A.
4. If, before the prospectus is filed, financial information about the issuer for a financial period more recent than the period for which financial statements are required under paragraphs 2 and 3 is publicly disseminated by, or on behalf of, the issuer through news release or otherwise, the content of the news release or public communication.
5. Any material change report, except a confidential material change report, filed under Part 7 of NI 51-102 or Part 11 of NI 81-106 since the end of the financial year in respect of which the issuer’s current AIF is filed.
6. Any business acquisition report filed by the issuer under Part 8 of NI 51-102 for acquisitions completed since the end of the financial year in respect of which the issuer’s current AIF is filed.
7. Any information circular filed by the issuer under Part 9 of NI 51-102 or Part 12 of NI 81-106 since the end of the financial year in respect of which the issuer’s current AIF is filed.
8. Any other disclosure document which the issuer has filed pursuant to an undertaking to a provincial or territorial securities regulatory authority since the beginning of the financial year in respect of which the issuer’s current AIF is filed.
9. Any other disclosure document of the type listed in paragraphs 1 through 7 which the issuer has filed pursuant to an exemption from any requirement under the applicable CD rule since the beginning of the financial year in respect of which the issuer’s current AIF is filed.

(2) In the statement incorporating the documents listed in subsection (1) by reference in a short form prospectus, clarify that the documents are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that is also incorporated by reference in the short form prospectus.

INSTRUCTIONS

(1) *Paragraph 4 of subsection (1) requires issuers to incorporate only the news release or other public communication through which more recent financial information is released to the public. However, if the financial statements from which the information in the news release has been derived have been filed, then the financial statements must be incorporated by reference.*

(2) *Issuers must provide a list of the material change reports and business acquisition reports required under paragraphs 5 and 6 of subsection (1), giving the date of filing and briefly describing the material change or acquisition, as the case may be, in respect of which the report was filed.*

(3) *Any material incorporated by reference in a short form prospectus is required under sections 4.1 and 4.2 of the Instrument to be filed with the short form prospectus unless it has been previously filed.*

“11.2 Mandatory Incorporation by Reference of Future Documents - State that any documents, of the type described in section 11.1, if filed by the issuer after the date of the short form prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the short form prospectus.

“11.3 Issuers without a Current AIF or Current Annual Financial Statements

(1) If the issuer does not have a current AIF or current annual financial statements and is relying on the exemption in subsection 2.7(1) of the Instrument, include the disclosure, including financial statements, that would otherwise have been required to have been included in a current AIF and current annual financial statements under section 11.1.

(2) If the issuer does not have a current AIF or current annual financial statements and is relying on the exemption in subsection 2.7(2) of the Instrument, include the disclosure, including financial statements, provided in accordance with Item 14.2 or 14.5 of Form 51-102F5 in the information circular referred to in paragraph 2.7(2)(b) of the Instrument.

INSTRUCTION

If an issuer is required to include disclosure under subsection (2), it must include the historical financial statements of any issuer that was a party to the reorganization and any other information contained in the information circular that was used to construct financial statements for the issuer.

“11.4 Significant Acquisition for Which No Business Acquisition Report is Filed

(1) If the issuer has:

(a) since the beginning of the most recently completed financial year in respect of which annual financial statements are included in the short form prospectus; and

(b) more than 75 days prior to the date of filing the preliminary short form prospectus;

completed a transaction that would have been a significant acquisition for the purposes of Part 8 of NI 51-102 if the issuer had been a reporting issuer at the time of the transaction, and the issuer has not filed a business acquisition report in respect of the transaction, include the financial statements and other information in respect of the transaction that is prescribed by Form 51-102F4.

- (2) If the issuer was exempt from the requirement to file a business acquisition report in respect of a transaction because the disclosure that would normally be included in a business acquisition report was included in another document, include that disclosure in the short form prospectus.

INSTRUCTION

Disclosure required by section 11.3 or 11.4 to be included in the short form prospectus may be incorporated by reference from another document or included directly in the short form prospectus.

“Item 12 Additional Disclosure for Issues of Guaranteed Securities

“12.1 Credit Supporter Disclosure - Provide disclosure about each credit supporter, if any, that has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities to be distributed, by complying with the following:

1. If the credit supporter is a reporting issuer and has a current AIF, incorporating by reference into the short form prospectus all documents that would be required to be incorporated by reference under Item 11 if the credit supporter were the issuer of the securities.
2. If the credit supporter is not a reporting issuer and has a class of securities registered under section 12(b) or 12(g) of the 1934 Act, or is required to file reports under section 15(d) of the 1934 Act, incorporating by reference into the short form prospectus all 1934 Act filings that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the 1933 Act if the securities distributed under the short form prospectus were being registered on Form S-3 or Form F-3.
3. If neither paragraph 1 nor paragraph 2 applies to the credit supporter, providing directly in the short form prospectus the same disclosure that would be contained in the short form prospectus through the incorporation by reference of the documents referred to in Item 11 if the credit supporter were the issuer of the securities and those documents had been prepared by the credit supporter.
4. Providing such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts concerning, and in Québec, disclosure of all material facts likely to affect the value or the market price, of the securities to be distributed, including the credit supporter's earnings coverage ratios under Item 6 as if the credit supporter were the issuer of the securities.

“Item 13 Exemptions for Certain Issues of Guaranteed Securities

“13.1 The Issuer is a Wholly Owned Subsidiary of the Credit Supporter - Despite Items 6 and 11, an issuer is not required to incorporate by reference into the short form prospectus any of its documents under paragraphs 1 through 4, 6 and 7 of subsection 11.1(1) or include in the short form prospectus its earnings coverage ratios under section 6.1, if:

- (a) a credit supporter has provided full and unconditional credit support for the securities being distributed;
- (b) the credit supporter satisfies the criterion in paragraph 2.4(1)(b) of the Instrument;

- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into securities of the credit supporter;
- (d) the issuer is a direct or indirect wholly owned subsidiary of the credit supporter;
- (e) no other subsidiary of the credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed; and
- (f) the issuer includes the following information in the short form prospectus:
 - (i) if:
 - (A) the issuer has no operations or only minimal operations that are independent of the credit supporter; and
 - (B) the impact of any subsidiaries of the credit supporter on a combined basis, excluding the issuer, on the consolidated financial results of the credit supporter is minor;

a statement that the financial results of the issuer are included in the consolidated financial results of the credit supporter; or

- (ii) for the periods covered by the credit supporter's financial statements included in the short form prospectus under section 12.1, consolidating summary financial information for the credit supporter presented with a separate column for each of the following:
 - (A) the credit supporter;
 - (B) the issuer;
 - (C) any other subsidiaries of the credit supporter on a combined basis;
 - (D) consolidating adjustments; and
 - (E) the total consolidated amounts.

“13.2 The Issuer and One or More Subsidiary Credit Supporters are Wholly Owned Subsidiaries of the Parent Credit Supporter - Despite Items 6, 11 and 12, an issuer is not required to incorporate by reference into the short form prospectus any of its documents under paragraphs 1 through 4, 6 and 7 of subsection 11.1(1), include in the short form prospectus its earnings coverage ratios under section 6.1, or include in the short form prospectus the disclosure of one or more subsidiary credit supporters required by section 12.1, if:

- (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) the parent credit supporter satisfies the criterion in paragraph 2.4(1)(b) of the Instrument;
- (c) the guarantees or alternative credit supports are joint and several;

- (d) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into securities of the parent credit supporter;
- (e) the issuer and each subsidiary credit supporter is a direct or indirect wholly owned subsidiary of the parent credit supporter; and
- (f) the issuer includes the following information in the short form prospectus:
 - (i) if:
 - (A) each of the issuer and each subsidiary credit supporter has no operations or only minimal operations that are independent of the parent credit supporter; and
 - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial results of the parent credit supporter is minor;

a statement that the financial results of the issuer and all subsidiary credit supporters are included in the consolidated financial results of the parent credit supporter; or

- (ii) for the periods covered by the parent credit supporter's financial statements included in the short form prospectus under section 12.1, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (A) the parent credit supporter;
 - (B) the issue;
 - (C) each subsidiary credit supporter on a combined basis;
 - (D) any other subsidiaries of the parent credit supporter on a combined basis;
 - (E) consolidating adjustments; and
 - (F) the total consolidated amounts.

“13.3 One or More Credit Supporters are Wholly Owned Subsidiaries of the Issuer - Despite Item 12, an issuer is not required to include in the short form prospectus the disclosure required by section 12.1 for one or more credit supporters if:

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) if there is more than one credit supporter, the guarantee or alternative credit supports are joint and several;
- (c) the securities being distributed are non-convertible debt securities or non-convertible preferred shares;
- (d) each credit supporter is a direct or indirect wholly owned subsidiary of the issuer; and

(e) the issuer includes the following information in the short form prospectus:

(i) if:

(A) the issuer has no operations or only minimal operations that are independent of the credit supporter(s); and

(B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial results of the issuer is minor;

a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer; or

(ii) for the periods covered by the issuer's financial statements included in the short form prospectus under Item 11, consolidating summary financial information for the issuer, presented with a separate column for each of the following:

(A) the issuer;

(B) the credit supporters on a combined basis;

(C) any other subsidiaries of the issuer on a combined basis;

(D) consolidating adjustments; and

(E) the total consolidated amounts.

INSTRUCTIONS

(1) *Summary Financial Information*

(a) *Summary financial information includes the following line items:*

(i) *sales or revenues;*

(ii) *income from continuing operations before extraordinary items;*

(iii) *net earnings;*

(iv) *current assets;*

(v) *non-current assets;*

(vi) *current liabilities; and*

(vii) *non-current liabilities.*

(b) *Despite instruction (1)(a), if GAAP permits the preparation of an entity's balance sheet without classifying assets and liabilities between current and non-current then the following items may be omitted from the entity's summary financial information if alternative meaningful financial information is provided which is more appropriate to the industry:*

(i) *current assets;*

(ii) *non-current assets;*

(iii) *current liabilities; and*

(iv) *non-current liabilities.*

(c) *An entity's annual or interim summary financial information must be derived from the entity's financial information underlying the corresponding consolidated financial statements of the issuer or parent credit supporter included in the short form prospectus.*

(d) *The parent entity column should account for investments in all subsidiaries under the equity method.*

(e) *All subsidiary entity columns should account for investments in non-credit supporter subsidiaries under the equity method.*

(2) *For the purposes of Item 13, an entity is considered to be a wholly owned subsidiary if the parent entity owns voting securities representing 100 per cent of the votes attached to the outstanding voting securities of the subsidiary.*

(3) *For the purposes of Item 13, the impact of subsidiaries, on a combined basis, on the financial results of the parent is minor if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than 3% of the total consolidated amounts.*

(4) *For the purposes of Item 13, 'parent credit supporter' means a credit supporter of which the issuer is a subsidiary and 'subsidiary credit supporter' means a credit supporter that is a subsidiary of the parent credit supporter.*

“Item 14 Relationship between Issuer or Selling Securityholder and Underwriter

“14.1 Relationship between Issuer or Selling Securityholder and Underwriter -

If the issuer or selling security holder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling security holder is also an underwriter, comply with the requirements of National Instrument 33-105 Underwriting Conflicts.

INSTRUCTION

For the purposes of section 14.1, 'connected issuer' and 'related issuer' have the same meanings as in National Instrument 33-105 Underwriting Conflicts.

“Item 15 Interest of Experts

“15.1 Names of Experts – Name each person or company:

(a) *who is named as having prepared or certified a statement, report or valuation in the short form prospectus or an amendment to the short form prospectus, either directly or in a document incorporated by reference; and*

(b) *whose profession or business gives authority to the statement, report or valuation made by the person or company.*

“15.2 Interest of Experts – For each person or company referred to in section 15.1, provide the disclosure that would be required under section 16.2 of Form 51-102F2, as of the date of the short form prospectus, as if that person or company were a person or company referred to in section 16.1 of Form 51-102F2.

“15.3 Exemption – Sections 15.1 and 15.2 do not apply to a person or company if the disclosure regarding that person or company required under section 15.2 is already disclosed in the issuer's current AIF.

“Item 16 Promoters**“16.1 Promoters**

(1) For a person or company that is, or has been within the three years immediately preceding the date of the preliminary short form prospectus, a promoter of the issuer or of a subsidiary of the issuer state, to the extent not disclosed elsewhere in a document incorporated by reference in the short form prospectus:

- (a) the person or company’s name;
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person or company;
- (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 the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
- (d) for an asset acquired within the three years before the date of the preliminary short form prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer 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 the issuer, the promoter, or an affiliate of the issuer 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.

(2) If a promoter of the issuer has been a director, executive officer or promoter of any person or company during the 10 years ending on the date of the preliminary short form prospectus, that while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the person or company access to any exemptions under provincial or territorial 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;
- (b) was subject to an event that resulted, after the director, executive officer or promoter ceased to be a director, executive officer or promoter, in the company or person being subject to a cease trade or similar order or an order that denied the relevant company or person 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

- (c) 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 been 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.
- (3) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter has been subject to:
- (a) any penalties or sanctions imposed by a court relating to provincial or territorial securities legislation or by a provincial or territorial securities regulatory authority or has entered into a settlement agreement with a provincial or territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- (4) Despite subsection (3), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.
- (5) If a promoter of the issuer has, within the 10 years before the date of the preliminary short form prospectus, become 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 the assets of the promoter, state the fact.

“Item 17 Risk Factors

“17.1 Risk Factors - Describe the factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed.

INSTRUCTION

Issuers may cross-reference to specific risk factors relevant to the securities being distributed that are discussed in their current AIF.

“Item 18 Other Material Facts

“18.1 Other Material Facts - Give particulars of any material facts about the securities being distributed that are not disclosed under any other items or in the documents incorporated by reference into the short form prospectus and are necessary in order for the short form prospectus to contain full, true and plain disclosure of all material facts relating to, and in Québec not to make any misrepresentation likely to affect the value or market price of, the securities to be distributed.

“Item 19 Exemptions from the Instrument

“19.1 Exemptions from the Instrument - List all exemptions from the provisions of the Instrument, including this Form, granted to the issuer applicable to the distribution or the short form prospectus, including all exemptions to be evidenced by the issuance of a receipt for the short form prospectus pursuant to section 8.2 of the Instrument.

“Item 20 Statutory Rights of Withdrawal and Rescission

“20.1 General - Include a statement in substantially the following form, with the bracketed information completed:

‘Securities legislation in [certain of the provinces [and territories] of Canada/ the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of these rights or consult with a legal adviser.’

“20.2 Non-fixed Price Offerings - In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the short form prospectus is filed, the second sentence in the legend in section 20.1 with a statement in substantially the following form:

‘This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.’

“Item 21 Certificates

“21.1 Officers, Directors and Promoters - Include a certificate in the following form signed by:

- (a) the chief executive officer and the chief financial officer or, if no such officers have been appointed, a person acting on behalf of the issuer in a capacity similar to a chief executive officer and a person acting on behalf of the issuer in a capacity similar to that of a chief financial officer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer duly authorized to sign, other than the persons referred to in paragraph (a); and
- (c) any person or company who is a promoter of the issuer:

‘This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if offering made in Québec - “For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.”]’

“21.2 Underwriters - If there is an underwriter, include a certificate in the following form signed by the underwriter or underwriters who, with respect to the securities being distributed, are in a contractual relationship with the issuer or selling security holders:

‘To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if offering made in Québec - “For the purpose of the Province of Québec, to our knowledge, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.”]’

“21.3 Related Credit Supporters - If disclosure concerning a credit supporter is prescribed by section 12.1, including if a credit supporter is exempt from the requirements of section 12.1 under section 13.2 or 13.3, and the credit supporter is a related credit supporter, an issuer shall include a certificate of the related credit supporter in the form required in section 21.1 signed by:

- (a) the chief executive officer and the chief financial officer or, if no such officers have been appointed, a person acting on behalf of the related credit supporter in a capacity similar to a chief executive officer and a person acting on behalf of the related credit supporter in a capacity similar to that of a chief financial officer; and
- (b) on behalf of the board of directors of the related credit supporter, any two directors of the related credit supporter duly authorized to sign, other than the persons referred to in paragraph (a).

INSTRUCTION

For the purposes of section 21.3, ‘related credit supporter’ means a credit supporter of the issuer that is an affiliate of the issuer.

“21.4 Amendments

- (1) Include in an amendment to a short form prospectus that does not restate the short form prospectus the certificates required under sections 21.1, 21.2 and, if applicable, section 21.3 with the reference in each certificate to ‘this short form prospectus’ omitted and replaced by ‘the short form prospectus dated [insert date] as amended by this amendment’.
- (2) Include in an amended and restated short form prospectus the certificates required under sections 21.1, 21.2 and, if applicable, section 21.3 with the reference in each certificate to ‘this short form prospectus’ omitted and replaced by ‘this amended and restated short form prospectus’.

“21.5 Date of Certificates – The date of certificates in a preliminary short form prospectus, a short form prospectus or an amendment to a preliminary short form prospectus or short form prospectus shall be within three business days before the date of filing the preliminary short form prospectus, short form prospectus or amendment, as applicable”.

Part XIV of Appendix amended

4(1) Part XIV of the Appendix is amended in the manner set forth in this section.

(2) Section 1.1 is amended:

(a) in subsection (1):

(i) in the definition of “base shelf prospectus” by striking out “National Instrument 44-101 Short Form Prospectus Distributions” and substituting “NI 44-101”;

(ii) by adding the following definition after the definition of “MTN program”:

“‘NI 44-101’ means National Instrument 44-101 *Short Form Prospectus Distributions*”; and

(iii) by repealing the definition of “special warrant”; and

(b) in subsection (2) by striking out “National Instrument 44-101” wherever it appears and in each case substituting “NI 44-101”.

(3) Section 1.3 is repealed.

(4) Part 2 is repealed and the following substituted:

**“Part 2 SHELF QUALIFICATION AND PERIOD OF RECEIPT
EFFECTIVENESS**

“2.1 General - An issuer shall not file a short form prospectus that is a base shelf prospectus, unless the issuer is qualified to do so under this Instrument.

**“2.2 Shelf Qualification for Distributions Qualified under section 2.2 of
NI 44-101 (Basic Qualification)**

(1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.2 of NI 44-101 to file a prospectus in the form of a short form prospectus.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

(3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of:

(a) the date 25 months from the date of its issue;

(b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:

(i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

(ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

- (iii) the issuer's equity securities are not listed or posted for trading on a short form eligible exchange;
- (iv) the issuer is an issuer:
 - (A) whose operations have ceased; or
 - (B) whose principal asset is cash, cash equivalents, or its exchange listing; or
- (v) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
- (c) the lapse date, if any, prescribed by securities legislation.

“2.3 Shelf Qualification for Distributions Qualified under section 2.3 of NI 44-101 (Approved Rating Non-Convertible Securities)

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for approved rating non-convertible securities if, at the time of filing, the issuer:
 - (a) is qualified under section 2.3 of NI 44-101 to file a prospectus in the form of a short form prospectus; and
 - (b) has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive an approved rating and would not receive a rating lower than an approved rating from any approved rating organization.
- (3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of:
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

- (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
- (iv) the securities to which the agreement relates:
 - (A) have not received a final approved rating;
 - (B) are the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; or
 - (C) have received a provisional or final rating lower than an approved rating from any approved rating organization; and
- (c) the lapse date, if any, prescribed by securities legislation.

“2.4 Shelf Qualification for Distributions under section 2.4 of NI 44-101 (Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives if, at the time of filing, the issuer is qualified under section 2.4 of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of:
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
 - (i) a credit supporter has not provided full and unconditional credit support for the securities to which the shelf prospectus supplement relates;
 - (ii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (iii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

(iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or

(v) either of the following is true:

(A) the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange, or

(B) the credit supporter is a credit supporter:

(I) whose operations have ceased; or

(II) whose principal asset is cash, cash equivalents, or its exchange listing; and

either of the following is true:

(C) the credit supporter does not have issued and outstanding non-convertible securities that:

(I) have received an approved rating;

(II) have not been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(III) have not received a rating lower than an approved rating from any approved rating organization; or

(D) the securities to which the agreement relates:

(I) have not received a final approved rating;

(II) have been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(III) have received a provisional or final rating lower than an approved rating from any approved rating organization; and

(c) the lapse date, if any, prescribed by securities legislation.

“2.5 Shelf Qualification for Distributions under section 2.5 of NI 44-101 (Guaranteed Convertible Debt Securities or Preferred Shares)

(1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for convertible debt securities and convertible preferred shares if, at the time of filing, the issuer is qualified under section 2.5 of NI 44-101 to file a prospectus in the form of a short form prospectus.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

(3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective until the earliest of:

- (a) the date 25 months from the date of its issue;
- (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
 - (i) the securities to which the agreement relates are not convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed;
 - (ii) the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (iii) the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
 - (iv) credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange;
 - (v) credit supporter is a credit supporter:
 - (A) whose operations have ceased; or
 - (B) whose principal asset is cash, cash equivalents, or its exchange listing; or
 - (vi) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
- (c) the lapse date, if any, prescribed by securities legislation.

“2.6 Shelf Qualification for Distributions under section 2.6 of NI 44-101 (Asset-Backed Securities)”

(1) An issuer that is qualified under section 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that:

- (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
- (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.6 of NI 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that:

(a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and

(b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than an approved rating from any approved rating organization.

(3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of:

(a) the date 25 months from the date of its issue;

(b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, if at that time:

(i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

(ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101; or

(iii) the asset-backed securities to which the agreement relates:

(A) have not received a final approved rating;

(B) have been the subject of an announcement by an approved rating organization, of which the issuer is or ought reasonably to be aware, that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; or

(C) have received a provisional or final rating lower than an approved rating from any approved rating organization; and

(c) the lapse date, if any, prescribed by securities legislation.

“2.7 Lapse Date - Ontario - In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is extended to the date 25 months from the date of issuance of the receipt.

“2.8 Lapse Date - Alberta - In Alberta, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is the date 25 months from the date of the issuance of the receipt.

“2.9 Limitation on Offerings - Despite any provision in this Instrument, the shelf procedures shall not be used for a distribution of rights under a rights offering”.

(5) Section 4.1 is repealed and the following substituted:

“4.1 Distributions of Novel Derivatives or Asset-Backed Securities Under Shelf

(1) If a base shelf prospectus pertains to specified derivatives or asset-backed securities, the issuer or the selling security holder, as the case may be, shall file before or concurrently with the base shelf prospectus an undertaking that it will not distribute in the local jurisdiction under the base shelf prospectus specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator in accordance with subsection (2) the disclosure to be contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.

(2) The undertaking referred to in subsection (1) shall state that the issuer or the selling security holder, as the case may be, shall not distribute in the local jurisdiction specified derivatives or asset-backed securities that, at the time of distribution, are novel, unless:

(a) the draft shelf prospectus supplement or, if more than one shelf prospectus supplement is to be used, the draft shelf prospectus supplements, pertaining to the distribution of the novel specified derivatives or asset-backed securities have been delivered to the regulator in substantially final form; and

(b) either

(i) the regulator has confirmed his or her acceptance of each draft shelf prospectus supplement in substantially final form or each shelf prospectus supplement in final form; or

(ii) 21 days have elapsed since the date of delivery to the regulator of each draft shelf prospectus supplement in substantially final form and the regulator has not provided written comments on the draft shelf prospectus supplement”.

(6) Section 5.1 is amended:

(a) in the portion preceding clause (a) by adding “for the distribution” after “a short form prospectus”; and

(b) in subclause (a)(i) by striking out “National Instrument 44-101” and substituting “NI 44-101”.

(7) Section 5.3 is amended by striking out “44-101F3” and substituting “44-101F1”.

(8) Section 5.4 is amended by striking out “person or company” and substituting “issuer or selling securityholder”.

(9) The following paragraph is added after paragraph 8 of section 5.5:

“9. List all exemptions from the provisions of this Instrument granted to the issuer applicable to the base shelf prospectus, including all exemptions to be evidenced by the issuance of a receipt for the base shelf prospectus pursuant to section 11.2”.

(10) Section 5.6 is amended by striking out “44-101F3” wherever it appears and in each case substituting “44-101F1”.

(11) Section 6.1 is amended by adding “and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed” after “distributed under the prospectus”.

(12) Section 6.2 is amended:

(a) in subsection (1) by striking out “in the base shelf prospectus” and substituting “, in the base shelf prospectus,”; and

(b) by adding the following subsections after subsection (2):

“(3) Any unaudited financial statements of an issuer or an acquired business incorporated by reference into the base shelf prospectus but filed after the date of filing the base shelf prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by an entity’s auditor or a public accountant’s review of financial statements.

“(4) Despite subsection (3):

(a) if the financial statements of the issuer or acquired business have been audited in accordance with U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards;

(b) if the financial statements of the issuer or acquired business have been audited in accordance with International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with international review standards; or

(c) if the financial statements of the issuer or acquired business have been audited in accordance with auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject.

“(5) The review specified in subsection (3) must have been completed:

(a) if the base shelf prospectus established an MTN program or other continuous offering, no later than filing of the unaudited financial statements; or

(b) in all other circumstances, no later than the next filing of a shelf supplement”.

(13) Section 6.5 is amended by striking out “securities legislation that regulate conflicts of interest in connection with a distribution of securities of a registrant, a connected issuer of a registrant or a related issuer of a registrant” and substituting “National Instrument 33-105 *Underwriting Conflicts*”.

(14) Section 6.7 is amended by adding “and, in Québec, contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed,” after “distributed”.

(15) Section 7.1 is amended:

(a) by striking out “National Instrument 44-101” and substituting “NI 44-101”; and

(b) by striking out “do not”.

(16) Subsection 7.2(1) is amended in the portion following clause (b) by striking out “that use of the” and substituting “the use of that”.

(17) Section 7.3 is repealed.

(18) Subsection 8.2(1) is amended by striking out “5.5” and substituting “5.6”.

(19) Subsection 9.1(1) is amended:

(a) by striking out “11.1 of National Instrument 44-101” and substituting “6.1 of NI 44-101”; and

(b) by striking out “2.9 of National Instrument 44-101” and substituting “9.2 of NI-44-101”.

(20) The following section is added after section 9.1:

“9.2 Market Value Calculation

(1) For the purposes of this Part:

(a) the aggregate market value of the equity securities of an issuer on a date is the aggregate of the market value of each class of its equity securities on the date, calculated by multiplying:

(i) the total number of equity securities of the class outstanding on the date; by

(ii) the closing price on the date of the equity securities of the class on the exchange in Canada on which that class of equity securities is principally traded; and

(b) instalment receipts may, at the option of the issuer, be deemed to be equity securities if:

(i) the instalment receipts are listed and posted for trading on an exchange in Canada; and

(ii) the outstanding equity securities, the beneficial ownership of which is evidenced by the instalment receipts, are not listed and posted for trading on an exchange in Canada.

(2) For the purposes of subsection (1), in calculating the total number of equity securities of a class outstanding, an issuer shall exclude those equity securities of the class that are beneficially owned, or over which control or direction is exercised, by persons or companies that, alone or together with their respective affiliates and associated parties, beneficially own or exercise control or direction over more than 10 per cent of the outstanding equity securities of the issuer.

(3) Despite subsection (2), if a portfolio manager of a pension fund or investment fund, alone or together with its affiliates and associated parties, exercises control or direction in the aggregate over more than 10 per cent of the outstanding equity securities of an issuer, and the fund beneficially owns or exercises control or direction over 10 per cent or less of the issued and outstanding equity securities of the issuer, the securities that the fund beneficially owns or exercises control or direction over are not excluded unless the portfolio manager is an affiliate of the issuer”.

(21) Part 10 is repealed.

(22) Subsection 11.1(2) is amended by striking out “and Alberta”.

(23) Appendix A is amended:

(a) by repealing clause 1.1(c) and substituting:

“(c) any person or company who is a promoter of the issuer:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec— For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”;

(b) by repealing clause 1.2(b) and substituting the following:

“(b) method 2 has not been elected by the underwriter:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”;

(c) in clause 1.3(a) by striking out “National Instrument 44-101” and substituting “NI 44-101”;

(d) by repealing clause 2.1(c) and substituting the following:

“(c) any person or company who is a promoter of the issuer:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”; and

(e) by repealing clause 2.2(b) and substituting the following:

“(b) did not sign and include in the corresponding base shelf prospectus a certificate in the form described in section 1.2:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of [insert name of jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”.

(24) Appendix B is amended:

(a) by repealing clause 1.1(c) and substituting the following:

“(c) any person or company who is a promoter of the issuer:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec — For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”;

(b) by repealing clause 1.2(b) and substituting the following:

“(b) elects method 2:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”;

(c) in clause 1.3(a) by striking out “National Instrument 44-101” and substituting “NI 44-101”;

(d) by repealing clause 2.1(c) and substituting the following:

“(c) any person or company who is a promoter of the issuer:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”; **and**

(e) by repealing clause 2.2(b) and substituting the following:

“(b) has elected method 2:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed]”.

Part XV of Appendix amended

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

(2) Subsection 3.2(1) is amended:

(a) in clause (a) of paragraph 5 by striking out “and” and after subclause (ii) and substituting “or”;

(b) in clause (b) of paragraph 5 by striking out “otherwise,”;

(c) in clause (c) of paragraph 7 by adding “together with the documents and information incorporated herein by reference, and” after “simplified prospectus,”;

(d) in paragraph 8 by adding “together with the documents and information incorporated herein by reference, and” after “simplified prospectus,”; and

(e) by adding the following after paragraph 9:

“10. List all exemptions from the provisions of this Instrument granted to the issuer applicable to the base PREP prospectus, including all exemptions to be evidenced by the issuance of a receipt for the base PREP prospectus pursuant to section 6.2”.

(3) Paragraph 8 of section 3.3 is amended by striking out “44-101F3” and substituting “44-101F1”.

(4) Paragraph 2 of section 3.6 is repealed and the following substituted:

“2. If the amendment is an amended and restated base PREP prospectus, preface the reference to the document in each certificate with the phrase ‘this amended and restated’”.

(5) Section 4.1 is amended by adding “and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed” after “under the prospectus”.

(6) Subsection 4.5(2) is amended:

(a) by repealing clause (c) of paragraph 3 and substituting the following:

“(c) any person or company who is a promoter of the issuer:

“This [insert, if applicable, “short form”] prospectus, [insert in the case of a short form prospectus distribution – “together with the documents incorporated herein by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - “For the purpose of the Province of Québec, this [insert, if applicable, “simplified”] prospectus, [insert in the case of a short form prospectus distribution - “together with documents incorporated herein by reference and as supplemented by the permanent information record,”] contains no misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”; **and**

(b) by repealing paragraph 4 and substituting the following:

“4. Instead of the prospectus certificate required under paragraph 8 of subsection 3.2(1), a certificate in the following form signed by each underwriter, if any, who for the securities to be distributed under the prospectus, is in a contractual relationship with the issuer or selling security holder:

“To the best of our knowledge, information and belief, this [insert, if applicable, “short form”] prospectus [insert in the case of a short form prospectus distribution - “, together with the documents incorporated herein by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]. [Insert if distribution made in Québec - “For the purpose of the Province of Québec, this [insert, if applicable, “simplified”] prospectus, [insert in the case of a short form prospectus distribution - “together with documents incorporated herein by reference and as supplemented by the permanent information record,”] contains no misrepresentation likely to affect the value or the market price of the securities to be distributed.””.

(7) Part 5 is repealed.**(8) Subsection 6.1(2) is amended by striking out “and Alberta”.**

New Part XVI of the Appendix

6 Part XVI is repealed and the following substituted:

“PART XVI
[*Clause 2(p)*]

“NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

“PART 1 DEFINITIONS AND INTERPRETATION**“1.1 Definitions - In this Instrument**

‘adjacent property’ means a property:

- (a) in which the issuer does not have an interest;
- (b) that has a boundary reasonably proximate to the property being reported on; and
- (c) that has geological characteristics similar to those of the property being reported on;

‘data verification’ means the process of confirming that data has been generated with proper procedures, has been accurately transcribed from the original source and is suitable to be used;

‘development property’ means a property that is being prepared for mineral production and for which economic viability has been demonstrated by a feasibility study;

'disclosure' means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

'early stage exploration property' means a property that has:

- (a) no current mineral resources or mineral reserves defined; and
- (b) no drilling or trenching proposed;

in a technical report being filed in a local jurisdiction;

'exploration information' means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit;

'feasibility study' means a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production;

'historical estimate' means an estimate of mineral resources or mineral reserves prepared prior to February 1, 2001;

'IMMM Reporting Code' means the classification system and definitions of mineral resources and mineral reserves approved by The Institution of Materials, Minerals, and Mining in the United Kingdom, as amended;

'JORC Code' means the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia, as amended;

'mineral project' means any exploration, development or production activity, including a royalty interest or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

'NI 44-101' means National Instrument 44-101 *Short Form Prospectus Distributions*;

'preliminary assessment' means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study;

‘preliminary feasibility study’ and **‘pre-feasibility study’** each mean a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

‘producing issuer’ means an issuer with annual audited financial statements that disclose:

- (a) gross revenues, derived from mining operations, of at least \$30 million for the issuer’s most recently completed financial year; and
- (b) gross revenues, derived from mining operations, of at least \$90 million in the aggregate for the issuer’s three most recently completed financial years;

‘professional association’ means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that:

- (a) is:
 - (i) given authority or recognition by statute in a jurisdiction of Canada; or
 - (ii) a foreign association listed in Appendix A;
- (b) admits individuals on the basis of their academic qualifications and experience;
- (c) requires compliance with the professional standards of competence and ethics established by the organization; and
- (d) has disciplinary powers, including the power to suspend or expel a member;

‘qualified person’ means an individual who:

- (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;
- (b) has experience relevant to the subject matter of the mineral project and the technical report; and
- (c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A, has the corresponding designation in Appendix A;

‘quantity’ means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

‘SAMREC Code’ means the South African Code for Reporting of Mineral Resources and Mineral Reserves prepared by the South African Mineral Committee (SAMREC) under the auspices of the South African Institute of Mining and Metallurgy (SAIMM), as amended;

'SEC Industry Guide 7' means the mining industry guide entitled 'Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations' contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended;

'technical report' means a report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that does not omit any material scientific and technical information in respect of the subject property as of the date of the filing of the report; and

'written disclosure' includes any writing, picture, map or other printed representation whether produced, stored or disseminated on paper or electronically, including websites.

"1.2 Mineral Resource - In this Instrument, the terms 'mineral resource', 'inferred mineral resource', 'indicated mineral resource' and 'measured mineral resource' have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.

"1.3 Mineral Reserve - In this Instrument, the terms 'mineral reserve', 'probable mineral reserve' and 'proven mineral reserve' have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.

"1.4 Independence - In this Instrument, a qualified person is independent of an issuer if there is no circumstance that could, in the opinion of a reasonable person aware of all relevant facts, interfere with the qualified person's judgment regarding the preparation of the technical report.

"PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

"2.1 Requirements Applicable to All Disclosure - All disclosure of scientific or technical information made by an issuer, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

"2.2 All Disclosure of Mineral Resources or Mineral Reserves - An issuer must not disclose any information about a mineral resource or mineral reserve unless the disclosure:

- (a) uses only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3;
- (b) reports each category of mineral resources and mineral reserves separately, and states the extent, if any, to which mineral reserves are included in total mineral resources;
- (c) does not add inferred mineral resources to the other categories of mineral resources; and
- (d) states the grade or quality and the quantity for each category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is included in the disclosure.

“2.3 Prohibited Disclosure

- (1) An issuer must not make any disclosure of the:
 - (a) quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve or a proven mineral reserve; or
 - (b) results of an economic analysis that includes inferred mineral resources.
- (2) Despite paragraph (1)(a), an issuer may disclose in writing the potential quantity and grade, expressed as ranges, of a potential mineral deposit that is to be the target of further exploration if the disclosure:
 - (a) includes a statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource; and
 - (b) states the basis on which the disclosed potential quantity and grade has been determined.
- (3) Despite paragraph (1)(b), an issuer may disclose a preliminary assessment that includes inferred mineral resources if:
 - (a) the results of the preliminary assessment are a material change or a material fact with respect to the issuer; and
 - (b) the disclosure:
 - (i) includes a statement that the preliminary assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized; and
 - (ii) states the basis for the preliminary assessment and any qualifications and assumptions made by the qualified person.
- (4) An issuer must not use the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the definition of the applicable term in section 1.1.

“2.4 Disclosure of Historical Estimates – Despite section 2.2, an issuer may disclose an historical estimate using the historical terminology if the disclosure:

- (a) identifies the source and date of the historical estimate;
- (b) comments on the relevance and reliability of the historical estimate;
- (c) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences; and
- (d) includes any more recent estimates or data available to the issuer.

“PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

“3.1 Written Disclosure to Include Name of Qualified Person - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure:

- (a) the name; and
- (b) the relationship to the issuer;

of the qualified person who prepared or supervised the preparation of the information that forms the basis for the written disclosure.

“3.2 Written Disclosure to Include Data Verification - Subject to section 3.5, if an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure:

- (a) a statement whether a qualified person has verified the data disclosed, including sampling, analytical and test data underlying the information or opinions contained in the written disclosure;
- (b) a description of how the data was verified and any limitations on the verification process; and
- (c) an explanation of any failure to verify the data.

“3.3 Requirements Applicable to Written Disclosure of Exploration Information

(1) Except as provided in section 3.5, if an issuer discloses in writing exploration information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure:

- (a) the results, or a summary of the material results, of surveys and investigations regarding the property;
- (b) a summary of the interpretation of the exploration information; and
- (c) a description of the quality assurance program and quality control measures applied during the execution of the work being reported on.

(2) Except as provided in section 3.5, if an issuer discloses in writing sample, analytical or test results on a property material to the issuer, the issuer must include in the written disclosure:

- (a) a summary description of the geology, mineral occurrences and nature of mineralization found;
- (b) a summary description of rock types, geological controls and dimensions of mineralized zones, and the identification of any significantly higher grade intervals within a lower grade intersection;
- (c) the location, number, type, nature and spacing or density of the samples collected and the location and dimensions of the area sampled;
- (d) any drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to in this subsection;

- (e) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, and any relationship of the laboratory to the issuer; and
- (f) a summary of the relevant analytical values, widths and, to the extent known to the issuer, the true widths of the mineralized zone.

“3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves - If an issuer discloses in writing mineral resources or mineral reserves on a property material to the issuer, the issuer must include in the written disclosure:

- (a) the effective date of each estimate of mineral resources and mineral reserves;
- (b) details of quantity and grade or quality of each category of mineral resources and mineral reserves;
- (c) details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves;
- (d) a general discussion of the extent to which the estimate of mineral resources or mineral reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues; and
- (e) a statement that mineral resources that are not mineral reserves do not have demonstrated economic viability, if the results of an economic analysis of mineral resources are included in the disclosure.

“3.5 Exception for Written Disclosure Already Filed - Sections 3.2 and 3.3 and paragraphs 3.4 (a), (c) and (d) do not apply if the issuer includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements.

“PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

“4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer

- (1) Upon becoming a reporting issuer in a jurisdiction of Canada an issuer must file in that jurisdiction a technical report for a mineral project on each property material to the issuer.
- (2) Subsection (1) does not apply if the issuer is a reporting issuer in a jurisdiction of Canada and subsequently becomes a reporting issuer in another jurisdiction of Canada.

“4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure About Mineral Projects on Material Properties

- (1) An issuer must file a technical report to support scientific or technical information in any of the following documents filed or made available to the public in a jurisdiction of Canada describing a mineral project on a property material to the issuer, or in the case of paragraph (c) below, the resulting issuer:
 - (a) a preliminary prospectus, other than a preliminary short form prospectus filed in accordance with NI 44-101;

-
- (b) a preliminary short form prospectus filed in accordance with NI 44-101 that includes material scientific or technical information about a mineral project on a property material to the issuer but not contained in:
- (i) an annual information form, prospectus, or material change report filed before February 1, 2001; or
 - (ii) a previously filed technical report;
- (c) an information or proxy circular concerning a direct or indirect acquisition of a mineral property where the issuer or resulting issuer issues securities as consideration;
- (d) an offering memorandum, other than an offering memorandum delivered solely to accredited investors as defined under securities legislation;
- (e) for a reporting issuer, a rights offering circular;
- (f) an annual information form that includes material scientific or technical information about a mineral project on a property material to the issuer but not contained in:
- (i) an annual information form, prospectus, or material change report filed before February 1, 2001; or
 - (ii) a previously filed technical report;
- (g) a valuation required to be prepared and filed under securities legislation;
- (h) an offering document that complies with and is filed in accordance with the TSX Venture Exchange policy;
- (i) a take-over bid circular that discloses a preliminary assessment or mineral resources or mineral reserves on a property material to the offeror if securities of the offeror are being offered in exchange on the take-over bid; and
- (j) a news release or directors' circular that contains:
- (i) first time disclosure of a preliminary assessment or mineral resources or mineral reserves on a property material to the issuer that constitutes a material change in respect of the affairs of the issuer; or
 - (ii) a change in a preliminary assessment or in mineral resources or mineral reserves from the most recently filed technical report that constitutes a material change in respect of the affairs of the issuer.
- (2) Subsection (1) does not apply for disclosure of an historical estimate in a document referred to in paragraph (j) of that subsection if the disclosure:
- (a) is in accordance with section 2.4; and
 - (b) includes a statement that:
 - (i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves;

(ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of this Instrument; and

(iii) the historical estimate should not be relied upon.

(3) If there has been a material change to the information in the technical report filed under paragraph (a) or (b) of subsection (1) before the filing of the final version of a prospectus or short form prospectus, the issuer must file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

(4) Subject to subsections (5), (6), and (7), the technical report referred to in subsection (1) must be filed not later than the time the document listed in subsection (1) that it supports is filed or made available to the public.

(5) Despite subsection (4), a technical report about mineral resources or mineral reserves that supports a news release must:

(a) be filed not later than 45 days after the news release; and

(b) if there are any material differences in the mineral resources or mineral reserves between the technical report filed and the news release, be accompanied by a news release that reconciles those differences.

(6) Despite subsection (4), if a property referred to in an annual information form first becomes material to the issuer less than 30 days before the filing deadline for the annual information form, the issuer must file the technical report within 45 days of the date that the property first became material to the issuer.

(7) Despite subsection (4), a technical report that supports a directors' circular must be filed not less than 3 business days prior to the expiry of the take-over bid.

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

(a) the issuer has a technical report filed that supports the scientific or technical information contained in the disclosure and there has been no material change in the scientific and technical information concerning the property since the date of the filing of the technical report; and

(b) the issuer files an updated certificate in accordance with subsection 8.1 and consent in accordance with subsection 8.3 of each qualified person who has been responsible for preparing or supervising the preparation of each portion of the technical report.

“4.3 Required Form of Technical Report - A technical report that is required to be filed under this Part must be prepared in accordance with Form 43-101F1.

“PART 5 AUTHOR OF TECHNICAL REPORT

“5.1 Prepared by a Qualified Person - A technical report must be prepared by or under the supervision of one or more qualified persons.

“5.2 Execution of Technical Report - A technical report must be dated, signed and, if the qualified person has a seal, sealed by:

- (a) each qualified person who is responsible for preparing or supervising the preparation of all or part of the report; or
- (b) a person or company whose principal business is providing engineering or geoscientific services if each qualified person responsible for preparing or supervising the preparation of all or part of the report is an employee, officer or director of that person or company.

“5.3 Independent Technical Report

(1) Subject to subsection (2), a technical report required under any of the following provisions of this Instrument must be prepared by or under the supervision of a qualified person that is, at the date of the technical report, independent of the issuer:

- (a) section 4.1;
- (b) paragraphs (a) and (g) of subsection 4.2(1); or
- (c) paragraphs (b), (c), (d), (e), (f), (h), (i), (j) of subsection 4.2(1) if the document discloses:
 - (i) for the first time a preliminary assessment or mineral resources or mineral reserves on a property material to the issuer, or
 - (ii) a 100 percent or greater change, from the most recently filed technical report prepared by a qualified person who is independent of the issuer, in total mineral resources or total mineral reserves on a property material to the issuer.

(2) A technical report required to be filed by a producing issuer under paragraph (c) of subsection (1) is not required to be prepared by or under the supervision of an independent qualified person.

(3) A technical report required to be filed by an issuer that is or has contracted to become a joint venture participant, concerning a property which is or will be the subject of the joint venture’s activities, is not required to be prepared by or under the supervision of an independent qualified person if the qualified person preparing or supervising the preparation of the report relies on scientific and technical information prepared by or under the supervision of a qualified person that is an employee or consultant of a producing issuer that is a participant in the joint venture.

“PART 6 PREPARATION OF TECHNICAL REPORT

“6.1 The Technical Report - A technical report must be prepared on the basis of all available data relevant to the disclosure that it supports.

“6.2 Current Personal Inspection

(1) Subject to subsections (2) and (3), before an issuer files a technical report, the issuer must have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report.

- (2) Subsection (1) does not apply to an issuer provided that:
- (a) the property that is the subject of the technical report is an early stage exploration property;
 - (b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and
 - (c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.
- (3) If an issuer relies on subsection (2), the issuer must:
- (a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and
 - (b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.

“6.3 Maintenance of Records - An issuer must keep for 7 years copies of assay and other analytical certificates, drill logs and other information referenced in the technical report or used as a basis for the technical report.

“6.4 Limitation on Disclaimers – An issuer must not file a technical report that contains a disclaimer by any qualified person responsible for preparing or supervising the preparation of the report that:

- (a) disclaims responsibility for, or reliance on, that portion of the report the qualified person prepared or supervised the preparation of; or
- (b) limits the use or publication of the report in a manner that interferes with the issuer’s obligation to reproduce the report by filing it on SEDAR.

“PART 7 USE OF FOREIGN CODE

“7.1 Use of Foreign Code – Despite section 2.2, an issuer that:

- (a) is incorporated or organized in a foreign jurisdiction; or
- (b) is incorporated or organized under the laws of Canada or a jurisdiction of Canada, for its properties located in a foreign jurisdiction;

may make disclosure and file a technical report that utilizes the mineral resource and mineral reserve categories of the JORC Code, the SEC Industry Guide 7, the IMMM Reporting Code or the SAMREC Code if a reconciliation to the mineral resource and mineral reserve categories set out in sections 1.2 and 1.3 is disclosed in the technical report.

“PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS**“8.1 Certificates of Qualified Persons**

(1) An issuer must, when filing a technical report, file a certificate of each qualified person responsible for preparing or supervising the preparation of each portion of the technical report and the certificate must be dated, signed and, if the signatory has a seal, sealed.

(2) A certificate under subsection (1) must state:

- (a) the name, address and occupation of the qualified person;
- (b) the title and date of the technical report to which the certificate applies;
- (c) the qualified person’s qualifications, including a brief summary of relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a ‘qualified person’ for purposes of this Instrument;
- (d) the date and duration of the qualified person’s most recent personal inspection of each property, if applicable;
- (e) the item or items of the technical report for which the qualified person is responsible;
- (f) whether the qualified person is independent of the issuer as described in section 1.4;
- (g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;
- (h) that the qualified person has read this Instrument and the technical report has been prepared in compliance with this Instrument; and
- (i) that, as of the date of the certificate, to the best of the qualified person’s knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

“8.2 Addressed to Issuer - All technical reports must be addressed to the issuer.

“8.3 Consents of Qualified Persons - An issuer must, when filing a technical report, file a statement of each qualified person responsible for preparing or supervising the preparation of each portion of the technical report, addressed to the securities regulatory authority, dated, and signed by the qualified person:

- (a) consenting to the public filing of the technical report and to extracts from, or a summary of, the technical report in the written disclosure being filed; and
- (b) confirming that the qualified person has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report that supports the disclosure.

“PART 9 EXEMPTIONS**“9.1 Authority to Grant Exemptions**

- (1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

“9.2 Limited Exemption for Royalty Interests or Similar Interests

- (1) Subject to subsection (2), an issuer that has only a royalty interest or similar interest in a mineral project and is required to file a technical report in accordance with section 4.3 is not required to:
 - (a) comply with section 6.2; and
 - (b) complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property to complete those items.
- (2) Paragraphs (1)(a) and (b) only apply if the issuer:
 - (a) has requested but has not received access to the necessary data from the operating company and is not able to obtain the necessary information from the public domain;
 - (b) under Item 3 of Form 43-101F1, states the issuer has requested but has not received access to the necessary data from the operating company and is not able to obtain the necessary information from the public domain and describes the content referred to under each item of Form 43-101F1 that the issuer did not complete; and
 - (c) includes in all scientific and technical disclosure a statement that the issuer has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and includes a reference to the title and date of that technical report.

“9.3 Exemption for Certain Types of Filings - This Instrument does not apply if the only reason an issuer files written disclosure of scientific or technical information is to comply with the requirement under securities legislation to file a copy of a record or disclosure material that was filed with a securities commission, exchange or regulatory authority in another jurisdiction.

“PART 10 EFFECTIVE DATE

“10.1 Effective Date - This Instrument comes into force on December 30, 2005.

“Appendix A**Recognized Foreign Associations and Designations**

Foreign Association	Designation
American Institute of Professional Geologists (AIPG)	Certified Professional Geologist
Any state in the United States of America	Licensed or certified as a professional engineer
Mining and Metallurgical Society of America (MMSA)	Qualified Professional
European Federation of Geologists (EFG)	European Geologist
Australasian Institute of Mining and	Fellow or member
Institute of Materials, Minerals and Mining (IMMM)	Fellow or professional member
Australian Institute of Geoscientists (AIG)	Fellow or member
South African Institute of Mining and Metallurgy (SAIMM)	Fellow
South African Council for Natural Scientific Professions (SACNASP)	Professional Natural Scientist
Institute of Geologists of Ireland (IGI)	Professional Member
Geological Society of London (GSL)	Chartered Geologist
National Association of State Boards of Geology (NASBOG)	Licensed or certified in: Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, Virginia, Washington, Wisconsin or Wyoming

**“FORM 43-101F1
TECHNICAL REPORT**

INSTRUCTIONS

(1) *The objective of the technical report is to provide a summary of scientific and technical information concerning mineral exploration, development and production activities on a mineral property that is material to an issuer. This Form sets out specific requirements for the preparation and contents of a technical report.*

(2) *Terms used in this Form that are defined or interpreted in National Instrument 43-101 Standards of Disclosure for Mineral Projects (the “Instrument”) will bear that definition or interpretation. In addition, a general definition instrument has been adopted as National Instrument 14-101 Definitions that contains definitions of certain terms used in more than one national instrument. Readers of this Form should review both these national instruments for defined terms.*

(3) *The qualified person preparing the technical report must use all of the headings of the items in this Form and may create sub-headings. If unique or infrequently used technical terms are required, clear and concise explanations must be included.*

(4) *No disclosure need be given in respect of inapplicable items and, unless otherwise required by this Form, negative answers to items may be omitted. Disclosure included under one heading is not required to be repeated under another heading.*

(5) *The technical report is not required to include the information required in Items 6 through 11 of this Form to the extent that the required information has been previously filed in a technical report for the property being reported on, the previous technical report is referred to in the technical report and there has not been any material change in the information.*

(6) *The technical report for development properties and production properties may summarize the information required in the items of this Form, except for Item 25, provided that the summary includes the material information necessary to understand the project at its current stage of development or production.*

(7) *The technical report may only contain disclaimers that are in accordance with section 6.4 of the Instrument and Item 5 of this Form.*

“CONTENTS OF THE TECHNICAL REPORT

“Item 1: Title Page - Include a title page setting out the title of the technical report, the general location of the mineral project, the name and professional designation of each qualified person and the effective date of the technical report.

“Item 2: Table of Contents - Provide a table of contents listing the contents of the technical report, including figures and tables.

“Item 3: Summary - Provide a summary that briefly describes the property, its location, ownership, geology and mineralization, the exploration concept, the status of exploration, development and operations and the qualified person’s conclusions and recommendations.

“Item 4: Introduction - Include a description of:

- (a) who the technical report is prepared for;
- (b) the purpose for which the technical report was prepared;
- (c) the sources of information and data contained in the technical report or used in its preparation, with citations if applicable; and
- (d) the scope of the personal inspection on the property by each qualified person and author or, if applicable, the reason why a personal inspection has not been completed.

“Item 5: Reliance on Other Experts - If a qualified person preparing or supervising the preparation of all or a portion of the technical report is relying on a report, opinion or statement of a legal or other expert, who is not a qualified person, for information concerning legal, environmental, political or other issues and factors relevant to the technical report, the qualified person may include a disclaimer of responsibility in which the qualified person identifies the report, opinion or statement relied upon, the maker of that report, opinion or statement, the extent of reliance and the portions of the technical report to which the disclaimer applies.

“Item 6: Property Description and Location - To the extent applicable, with respect to each property reported on, describe:

- (a) the area of the property in hectares or other appropriate units;
- (b) the location, reported by an easily recognizable geographic and grid location system;
- (c) the type of mineral tenure (eg. claim, license, lease) and the identifying name or number of each;
- (d) the nature and extent of the issuer’s title to, or interest in, the property including surface rights, the obligations that must be met to retain the property, and the expiration date of claims, licences or other property tenure rights;
- (e) how the property boundaries were located;
- (f) 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, relative to the outside property boundaries;
- (g) to the extent known, the terms of any royalties, back-in rights, payments or other agreements and encumbrances to which the property is subject;
- (h) to the extent known, all environmental liabilities to which the property is subject; and
- (i) to the extent known, the permits that must be acquired to conduct the work proposed for the property, and if the permits have been obtained.

“Item 7: Accessibility, Climate, Local Resources, Infrastructure and Physiography - With respect to each property reported on, describe:

- (a) topography, elevation and vegetation;
- (b) the means of access to the property;
- (c) the proximity of the property to a population centre, and the nature of transport;
- (d) to the extent relevant to the mineral project, the climate and the length of the operating season; and
- (e) to the extent relevant to the mineral project, 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 pad areas and potential processing plant sites.

“Item 8: History - To the extent known, with respect to each property reported on, describe:

- (a) the prior ownership of the property and ownership changes;
- (b) the type, amount, quantity and general results of exploration and development work undertaken by any previous owners or operators;
- (c) historical mineral resource and mineral reserve estimates in accordance with section 2.4 of the Instrument, including the reliability of the historical estimates and whether the estimates are in accordance with the categories set out in sections 1.2 and 1.3 of the Instrument; and
- (d) any production from the property.

“Item 9: Geological Setting - Include a concise description of the regional, local and property geology.

“Item 10: Deposit Types - Describe the mineral deposit type(s) being investigated or being explored for and the geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned.

“Item 11: Mineralization - Describe the mineralized zones 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.

“Item 12: Exploration - Describe the nature and extent of all relevant exploration work conducted by, or on behalf of, the issuer on each property being reported on, including:

- (a) results of surveys and investigations, and the procedures and parameters relating to the surveys and investigations;
- (b) an interpretation of the exploration information; and
- (c) a statement as to whether the surveys and investigations have been carried out by the issuer or by a contractor and, if the latter, identifying the contractor.

INSTRUCTION:

If exploration results from previous operators are included, the qualified person or author must clearly identify the work conducted by, or on behalf of, the issuer.

“Item 13: Drilling - Describe the type and extent of drilling including the procedures followed and a summary and interpretation of all results. The relationship between the sample length and the true thickness of the mineralization must be stated, if known, and if the orientation of the mineralization is unknown, state this.

“Item 14: Sampling Method and Approach - Provide:

- (a) a brief description of sampling methods and relevant details of location, number, type, nature and spacing or density of samples collected, and the size of the area covered;
- (b) a description of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results;
- (c) a discussion of the sample quality, including whether the samples are representative, and any factors that may have resulted in sample biases;
- (d) a description of rock types, geological controls, widths of mineralized zones and other parameters used to establish the sampling interval and identification of any significantly higher grade intervals within a lower grade intersection; and
- (e) a summary of relevant samples or sample composites with values and estimated true widths.

“Item 15: Sample Preparation, Analyses and Security - Describe sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory, the method or process of sample splitting and reduction, and the security measures taken to ensure the validity and integrity of samples taken. Include:

- (a) a statement whether any aspect of the sample preparation was conducted by an employee, officer, director or associate of the issuer;
- (b) details regarding sample preparation, assaying and analytical procedures used, the name and location of the analytical or testing laboratories and whether the laboratories are certified by any standards association and the particulars of any certification;
- (c) a summary of the nature and extent of all quality control measures employed and check assay and other check analytical and testing procedures utilized, including the results and corrective actions taken; and
- (d) a statement of the author’s opinion on the adequacy of sample preparation, security and analytical procedures.

“Item 16: Data Verification - Include:

- (a) a discussion of quality control measures and data verification procedures applied;
- (b) a statement as to whether the qualified person has verified the data referred to or relied upon;
- (c) a discussion of the nature of and any limitations on such verification; and
- (d) the reasons for any failure to verify the data.

“Item 17: Adjacent Properties - A technical report may include information concerning an adjacent property if:

- (a) such information was publicly disclosed by the owner or operator of the adjacent property;
- (b) the source of the information is identified;
- (c) the technical report states that its qualified person has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report;
- (d) the technical report clearly distinguishes between mineralization on the adjacent property and mineralization on the property being reported on; and
- (e) if any historical estimates of resources or reserves are included in the technical report, they are disclosed in accordance with section 2.4 of the Instrument.

“Item 18: Mineral Processing and Metallurgical Testing - If mineral processing or metallurgical testing analyses have been carried out, include the results of the testing, details of the testing and analytical procedures, and discuss whether the samples are representative.

“Item 19: Mineral Resource and Mineral Reserve Estimates - A technical report disclosing mineral resources or mineral reserves must:

- (a) use only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3 of the Instrument;
- (b) report each category of mineral resources and mineral reserves separately and if both mineral resources and mineral reserves are disclosed, state the extent, if any, to which mineral reserves are included in total mineral resources;
- (c) not add inferred mineral resources to the other categories of mineral resources;
- (d) disclose the name, qualifications and relationship, if any, to the issuer of the qualified person who estimated mineral resources and mineral reserves;

- (e) include appropriate details of quantity and grade or quality for each category of mineral resources and mineral reserves;
- (f) include details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves;
- (g) include a general discussion on the extent to which the estimate of mineral resources and mineral reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues;
- (h) identify the extent to which the estimates of mineral resources and mineral reserves may be materially affected by mining, metallurgical, infrastructure and other relevant factors;
- (i) use only indicated mineral resources, measured mineral resources, probable mineral reserves and proven mineral reserves when referring to mineral resources or mineral reserves in an economic analysis that is used in a preliminary feasibility study or a feasibility study of a mineral project;
- (j) if inferred mineral resources are used in an economic analysis, state the required disclosure set out in subsection 2.3(3) of the Instrument;
- (k) when the results of an economic analysis of mineral resources are reported, state “mineral resources that are not mineral reserves do not have demonstrated economic viability”;
- (l) state the grade or quality, quantity and category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is reported; and
- (m) when the grade for a polymetallic mineral resource or mineral reserve is reported as metal equivalent, report the individual grade of each metal, and consider and report the recoveries, refinery costs and all other relevant conversion factors in addition to metal prices and the date and sources of such prices.

INSTRUCTION:

A statement of quantity and grade or quality is an estimate and should be rounded to reflect the fact that it is an approximation.

“Item 20: Other Relevant Data and Information - Include any additional information or explanation necessary to make the technical report understandable and not misleading.

“Item 21: Interpretation and Conclusions - Summarize the results and interpretations of all field surveys, analytical and testing data and other relevant information. Discuss the adequacy of data density and the data reliability as well as any areas of uncertainty. A technical report concerning exploration information must include the conclusions of the qualified person. The qualified person must discuss whether the completed project met its original objectives.

“Item 22: Recommendations - Provide particulars of the recommended work programs and a breakdown of costs for each phase. If successive phases of work are recommended, each phase must culminate in a decision point. The recommendations must not apply to more than two phases of work. The recommendations must state whether advancing to a subsequent phase is contingent on positive results in the previous phase.

“Item 23: References - Include a detailed list of all references cited in the technical report.

“Item 24: Date and Signature Page - The technical report must have a signature page at the end, signed in accordance with section 5.2 of the Instrument. The effective date of the technical report and date of signing must be on the signature page.

“Item 25: Additional Requirements for Technical Reports on Development Properties and Production Properties - Technical reports on development properties and production properties must include:

- (a) Mining Operations - information and assumptions concerning the mining method, metallurgical processes and production forecast;
- (b) Recoverability - information concerning all test and operating results relating to the recoverability of the valuable component or commodity and amenability of the mineralization to the proposed processing methods;
- (c) Markets - information concerning the markets for the issuer’s production and the nature and material terms of any agency relationships;
- (d) Contracts - a discussion of whether the terms of mining, concentrating, smelting, refining, transportation, handling, sales and hedging and forward sales contracts or arrangements, rates or charges are within industry norms;
- (e) Environmental Considerations - a discussion of bond posting, remediation and reclamation;
- (f) Taxes - a description of the nature and rates of taxes, royalties and other government levies or interests applicable to the mineral project or to production, and to revenues or income from the mineral project;
- (g) Capital and Operating Cost Estimates - capital and operating cost estimates, with the major components being set out in tabular form;
- (h) Economic Analysis - an economic analysis with cash flow forecasts on an annual basis using proven mineral reserves and probable mineral reserves only, and sensitivity analyses with variants in metal prices, grade, capital and operating costs;
- (i) Payback - a discussion of the payback period of capital with imputed or actual interest; and
- (j) Mine Life - a discussion of the expected mine life and exploration potential.

“Item 26: Illustrations

(a) Technical reports must be illustrated by legible maps, plans and sections, which may be located in the appropriate part of the report. All technical reports must be accompanied by a location or index map and more detailed maps showing all important features described in the text. In addition, technical reports must include a compilation map outlining the general geology of the property and areas of historical exploration. The location of all known mineralization, anomalies, deposits, pit limits, plant sites, tailings storage areas, waste disposal areas and all other significant features must be shown relative to property boundaries. If information is used, from other sources, in preparing maps, drawings, or diagrams, disclose the source of the information.

(b) If adjacent or nearby properties have an important bearing on the potential of the property under consideration, their location and any mineralized structures common to two or more such properties must be shown on the maps.

(c) If the potential merit of a property is predicated on geophysical or geochemical results, maps showing the results of surveys and their interpretations must be included in the technical report.

(d) Maps must include a scale in bar form and an arrow indicating north.

INSTRUCTION:

Illustrations should be sufficiently summarized and simplified so that they are not oversized and are suitable for electronic filing”.

Part XXXI of Appendix amended

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

(2) Subsection 1.1(1) is amended:

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

“(a) ‘**annual information form**’ has the same meaning as ‘**AIF**’ in National Instrument 51-102 *Continuous Disclosure Obligations*”; and

(b) by repealing paragraph (r).

Part XXXVI of Appendix amended

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

(2) The definition of “mineral project” in section 1.1 is repealed and the following substituted:

“‘**mineral project**’ has the same meaning as in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*”.

(3) Form 51-102F2 is amended:

(a) by repealing subsection 16.2(1) and substituting the following:

“(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 and, if the expert is not an individual, by the designated professionals of that expert, 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 and, if the expert is not an individual, by the designated professionals of that expert, after the time specified in paragraph 16.2(1)(a); or
- (c) to be received by an expert named in section 16.1 and, if the expert is not an individual, by the designated professionals of that expert”;

(b) by adding the following subsection after subsection 16.2(1):

“(1.1) For the purposes of subsection (1), a **‘designated professional’** means, in relation to an expert named in section 16.1:

- (a) each partner, employee or consultant of the expert who participated in and who was in a position to directly influence the preparation of the statement, report or valuation referred to in paragraph 16.1(a); and
- (b) each partner, employee or consultant of the expert who was, at any time during the preparation of the statement, report or valuation referred to in paragraph 16.1(a), in a position to directly influence the outcome of the preparation of the statement, report or valuation, including, without limitation:
 - (i) any person who recommends the compensation of, or who provides direct supervisory, management or other oversight of, the partner, employee or consultant in the performance of the preparation of the statement, report or valuation referred to in paragraph 16.1(a), including those at all successively senior levels through to the expert’s chief executive officer;
 - (ii) any person who provides consultation regarding technical or industry-specific issues, transactions or events for the preparation of the statement, report or valuation referred to in paragraph 16.1(a); and
 - (iii) any person who provides quality control for the preparation of the statement, report or valuation referred to in paragraph 16.1(a)”;

(c) by adding the following subsection added after subsection 16.2(2):

“(2.1) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or who has performed an audit in accordance with US GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence”.

Part XLII of the Appendix amended

9(1) Part XLII of the Appendix is amended in the manner set forth in this section.

(2) Clause (d) of the definition of “national prospectus rules” in section 1.1 is amended by striking out “44-101F3” and substituting “44-101F1”.

Coming into force

10(1) Subject to subsection (2), these regulations come into force on December 30, 2005.

(2) If these regulations are filed with the Registrar of Regulations after December 30, 2005, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

SASKATCHEWAN REGULATIONS 150/2005*The Securities Act, 1988*

Section 154

Commission Order, dated December 13, 2005

(Filed December 29, 2005)

Title

1 These regulations may be cited as *The Securities Commission (Local Instruments) Amendment Regulations, 2005 (No. 3)*.

R.R.S. c.S-42.2 Reg 5 amended

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

Section 2 amended

3 **Section 2 is amended:**

(a) by repealing clause (j) and substituting the following:

“(j) Local Instrument 11-502, entitled Removal of Certain Exemptions, as set out in Part XI of the Appendix”; **and**

(b) by adding the following clause after clause (j):

“(k) Local Instrument 32-501, entitled Deposit Agents, as set out in Part XII of the Appendix”.

Appendix amended

4(1) Part XI of the Appendix is repealed and the following substituted:

“PART XI
[Clause 2(j)]

**SASKATCHEWAN LOCAL INSTRUMENT 11-502
REMOVAL OF CERTAIN EXEMPTIONS**

“Certain exemptions removed

1 Pursuant to the authority of clause 154(1)(qq) of *The Securities Act, 1988*, the following exemptions are removed:

- (a) the exemptions in sections 38, 39, 39.1, 81 and 82 of *The Securities Act, 1998*;
- (b) the exemptions in subsection 60(2), section 63, subsection 98(2), section 99 and subsection 101(2) of *The Securities Regulations*”.

(2) The following Part is added after Part XI of the Appendix:

“PART XII
[Clause 2(k)]

**“SASKATCHEWAN LOCAL INSTRUMENT 32-501
DEPOSIT AGENTS**

“PART 1 INTERPRETATION

“Interpretation

1 In this Local Instrument:

- (a) ‘**Act**’ means *The Securities Act, 1988*;
- (b) ‘**Commission**’ means the Saskatchewan Financial Services Commission;
- (c) ‘**deposit agent**’ means a person who or company that trades in guaranteed investment certificates, including accepting, receiving or soliciting money from investors for transmission to a financial institution for investment in a guaranteed investment certificate;
- (d) ‘**Director**’ means the Director of the Securities Division of the Commission;
- (e) ‘**financial institution**’ means:
 - (i) a bank;
 - (ii) a credit union;
 - (iii) an insurance company licensed pursuant to *The Saskatchewan Insurance Act*;
 - (iv) a trust corporation or a loan corporation licensed pursuant to *The Trust and Loan Corporations Act, 1997*;
 - (v) an association to which the *Cooperative Credit Associations Act* (Canada) applies; and
 - (vi) an authorized foreign bank as defined in the *Bank Act* (Canada) that is set out in Schedule III of that Act;

(f) **'GIC exemption'** means an exemption in Saskatchewan securities laws from the requirement to be registered pursuant to section 27 of the Act to trade in GICs, including:

(i) the exemption in paragraph 2.34(2)(d) of National Instrument 45-106, *Prospectus and Registration Exemptions*; and

(ii) an exemption granted by the Commission or the Director pursuant to the Act;

(g) **'guaranteed investment certificate'** or **'GIC'** means:

(i) evidence of indebtedness of or guaranteed by a financial institution; or

(ii) a certificate or receipt issued by a financial institution for money received for guaranteed investment;

(h) **'official'** means an individual who is a partner, director or officer of a deposit agent and who trades in GICs on behalf of the deposit agent;

(i) **'registered'** means registered pursuant to the Act;

(j) **'registered deposit agent'** means a deposit agent who or that is registered and whose registration is not suspended or cancelled;

(k) **'salesperson'** means an individual, other than an official, that is employed or engaged by a deposit agent to trade in GICs on behalf of the deposit agent.

"PART 2 REGISTRATION

"Exemption removed

2 The GIC exemptions are not available to a deposit agent, an official or a salesperson.

"Registration required

3(1) Subject to section 4, no person or company shall act as a deposit agent unless that person or company is registered as a dealer in the category of deposit agent.

(2) No individual shall act as a deposit agent.

(3) Subject to section 4, no person or company shall act as an official unless that person or company is registered as an official of a registered deposit agent.

(4) Subject to section 4, no person or company shall act as a salesperson unless that person or company is registered as a salesperson of a registered deposit agent.

(5) Subsections (3) and (4) do not apply to who are persons engaged in administrative, clerical or accounting duties in the employ of the registered deposit agent and who are not engaged in trading in GICs.

“Exemptions from registration

4 This Local Instrument does not apply to:

- (a) a trade by a financial institution or any of its employees in a GIC of the financial institution;
- (b) a trade in a GIC of a financial institution by another financial institution or any employee of the other financial institution if a principal and agent relationship exists between the financial institution and the other financial institution;
- (c) a trade in a GIC by a registered instrument dealer or an official or salesperson of the registered investment dealer for the account and through the facilities of the registered investment dealer;
- (d) a trade in a GIC by a registered mutual fund dealer that is a member of The Mutual Fund Dealers Association of Canada or an official or salesperson of that registered mutual fund dealer for the account and through the facilities of the registered mutual fund dealer only if the registered mutual fund dealer:
 - (i) files a report with the Commission in accordance with Form 32-501F1 before the exemption in this clause is used for the first time;
 - (ii) files a report in accordance with Form 32-501F1 with the Commission by December 31 of each year; and
 - (iii) advises the Commission within 10 days of any changes to the information on the most recent Form 32-501F1 that it has filed;
- (e) a trade in a GIC by a person who or company that is recognized at law as a fiduciary on behalf of others for whom they act if the fiduciary does not receive a commission; or
- (f) a trade in a GIC by a person who or company that receives funds from another person or company for transmittal to a financial institution if:
 - (i) the person or company does not ask for or receive a commission or remuneration;
 - (ii) the transaction is not made in the course of continued and successive transmissions of the same character; and
 - (iii) the trade is not made by a person or company whose usual business is trading in GICs.

“Officials to act for one deposit agent only

5 No official shall carry on business or act as a deposit agent:

- (a) on his or her own account; or
- (b) on behalf of any deposit agent other than the deposit agent with whom he or she is registered.

“Salespersons to act for employer only

6 No salesperson shall carry on business or act as a deposit agent:

- (a) on his or her own behalf; or
- (b) on behalf of any deposit agent other than the deposit agent with whom he or she is registered.

“Engaging unregistered officials and salespersons prohibited

7 Unless a person or company is registered as an official or salesperson on behalf of the deposit agent, no deposit agent shall:

- (a) employ or engage that person or company as an official or salesperson; or
- (b) directly or indirectly, pay to any person or company a commission, salary or other remuneration in connection with that person’s activities as an official or salesperson.

“Non-liability agreement prohibited

8 No deposit agent shall enter into an agreement with an official or salesperson in which the parties agree to limit the liability of the deposit agent for the actions of the salesperson or official.

“Initial application for registration

9 A person who or company that wishes to be registered shall apply for initial registration as:

- (a) a deposit agent by completing and filing Form 32-501F2; and
- (b) as an official or salesperson by completing and filing Form 32-501F3.

“PART 3 ONGOING REGISTRATION REQUIREMENTS**“Exemption from registration requirements**

10 A deposit agent is exempt from the requirements in Part IV Registration of *The Securities Regulations* other than section 15.

“Insurance

11(1) In this section, **‘Standard Form of Financial Institution Bond’** means the standard form of financial institution bond that is approved by the Investment Dealers Association of Canada.

(2) Every deposit agent shall maintain insurance in the Standard Form of a Financial Institution Bond issued by an insurer licensed pursuant to *The Saskatchewan Insurance Act* that covers:

- (a) any loss resulting from dishonest or fraudulent acts of officials, salespersons and employees, committed anywhere and whether committed alone or in collusion with others, including loss of property through any act of any of the officials, salespersons and employees;
- (b) any loss of cash and securities or other property through robbery, burglary, theft, hold-up or other fraudulent means, mysterious disappearance, damage or destruction while within any of the deposit agent’s offices, the offices of any financial institution or clearing house or within any recognized place of safe-deposit, as more fully defined in the Standard Form of Financial Institution Bond;
- (c) any loss of cash and securities or other property through robbery, burglary, theft, hold-up, misplacement, mysterious disappearance, damage or destruction, while in transit or in the mail, as more fully defined in the Standard Form of Financial Institution Bond; and
- (d) any loss resulting from forgery or alterations of any cheques, drafts, promissory notes or other written orders or directions to pay sums in cash, excluding securities, as more fully defined in the Standard Form of Financial Institution Bond.

- (3) The minimum amount of insurance that must be maintained for each clause in subsection (2) is \$200,000.
- (4) The maximum deductible for the insurance that must be maintained pursuant to subsection (2) is \$10,000.
- (5) Every financial institution bond required pursuant to subsection (2) shall be endorsed by the insurer stating that the insurer will give:
- (a) 15 days notice to the Director of any intended change in or intended cancellation of the financial institution bond; and
 - (b) prompt notice of any claim made under the financial institution bond.
- (6) Every deposit agent shall file with the Director a certified copy of the financial institution bond required pursuant to subsection (2):
- (a) with its initial application for registration; and
 - (b) concurrently with the filing of its report pursuant to section 14.
- (7) Every deposit agent that is a company shall file with the Director a certified copy of a resolution of its directors, and every deposit agent that is a person shall file with the Director a statutory declaration, stating that:
- (a) full consideration has been given to the amount of insurance necessary to cover the insurable risks in the business of the deposit agent; and
 - (b) either:
 - (i) the minimum amount of coverage required in subsection (3) is sufficient; or
 - (ii) the minimum amount of coverage required in subsection (3) is not sufficient and stating an amount of coverage that in the person's or company's opinion, would be sufficient.
- (8) Every deposit agent that is a company shall file the directors' resolution required pursuant to subsection (7):
- (a) with the deposit agent's application for registration; and
 - (b) concurrently with the filing of its report pursuant to section 14.
- (9) Every deposit agent that is a person shall file the statutory declaration required pursuant to subsection (7):
- (a) with the deposit agent's application for registration; and
 - (b) concurrently with the filing of its report pursuant to section 14.
- (10) Every deposit agent shall notify the Director in writing of any claim that it makes under a financial institution bond promptly after making that claim.
- (11) Notwithstanding any other provision of this section, if the Director is satisfied that a deposit agent has insurance coverage that is equivalent to the insurance required by this section, the Director may accept that equivalent insurance as being in compliance with the requirements of this section.

“Change of control

12(1) In this section, ‘**change of control**’ means a change in ownership of voting securities which results in direct or indirect ownership by a security holder or an affiliated group of security holders of 10% or more of securities.

(2) If there is a change of control of a deposit agent, the deposit agent must give notice of details of the change to the Director within 10 days of the change.

(3) The notice required in subsection (2) must include proof:

- (a) that notice of change of control has been given pursuant to the financial institution bond required pursuant to section 11; and
- (b) that the financial institution bond provides coverage of the deposit agent after the change of control.

“Compliance systems

13 A deposit agent shall maintain effective systems to ensure that its officials and salespersons are:

- (a) in compliance with the requirements of this Local Instrument; and
- (b) dealing honestly, fairly and in good faith with the deposit agent’s clients.

“Annual reporting requirement

14 A deposit agent shall file a report with the Director in accordance with Form 32-501F4 on or before December 15 of each year.

“Holding out

15 Every official and salesperson carrying on the business of a deposit agent shall hold themselves out as an official or salesperson only under the name of the deposit agent with whom the official or salesperson is registered.

“Trust compliance report

16 A deposit agent that operates a trust account must file annually within three months after the deposit agent’s financial year end the report of an auditor acceptable to the Commission in accordance with Form 32-501F5.

“Business records

17 Every deposit agent must maintain books and records necessary to properly record the deposit agent’s business transactions including the following:

- (a) a file for each client that must contain the following:
 - (i) a copy of the application for each GIC in which the client invests;
 - (ii) a copy of the client’s or financial institution cheque for each transaction;
 - (iii) a copy of the receipt for cash received from the client;
 - (iv) a copy of the financial institution deposit slip for each investment;
 - (v) a copy of the investment confirmation received from the financial institution;
 - (vi) written documentation of oral instructions from the clients if permitted under section 20, including the name of the client, details of oral instructions and the date and time they were received;
- (b) a copy of commission statements from financial institutions.

“Business office

18 Every deposit agent that does not have a place of business in Saskatchewan shall comply with all of the following conditions:

- (a) the deposit agent must have a place of business in Canada;
- (b) the deposit agent must have at least one official resident in Canada and registered in Saskatchewan as an official of the deposit agent;
- (c) the deposit agent must not have any officials or salespersons who reside in Saskatchewan;
- (d) the deposit agent must file an executed submission to jurisdiction and appointment of agent for service of process substantially in the form set out in Appendix A to this Local Instrument;
- (e) the deposit agent must file with the Director a written undertaking substantially in the form set out in Appendix B to this Local Instrument;
- (f) the deposit agent must maintain in its home jurisdiction in Canada those books and records necessary to properly record its business transactions in Saskatchewan; and
- (g) the deposit agent must provide a disclosure statement to each new client substantially in the form set out in Appendix C to this Local Instrument.

“PART 4 WRITTEN AGREEMENTS**“Application forms**

19(1) If an official or salesperson receives money from an investor for investment in a GIC, the deposit agent must complete an application form containing the following information:

- (a) the name of the investor and a third party, if any, designated by the investor as the beneficial owner of the GIC;
- (b) the name of the financial institution with whom the investor wishes to invest;
- (c) the amount of the money invested;
- (d) the interest rate of the investment and how interest is to be calculated and paid;
- (e) the term of the investment;
- (f) whether or not the investment can be redeemed or transferred prior to maturity and any costs or charges applicable;
- (g) the date of the application;
- (h) the address or account where the investor wishes to receive interest and maturity cheques;
- (i) the address where the investor wishes to receive communications from the financial institution;

- (j) a statement in bold print and in a minimum 10 point size substantially in the following words:
- “The financial institution will send a confirmation of this investment directly to you within 15 days after receiving your money. If you do not receive this confirmation, you should contact the financial institution.”;
- (k) a declaration by the deposit agent that all money or certificates are held by the deposit agent in trust for the investor.
- (2) The application form mentioned in subsection (1) must be approved by the financial institution with which the money is to be invested before the application form is used.
- (3) No official or salesperson shall designate a third party beneficiary in the application form who or that is directly or indirectly associated with the deposit agent, its officials or salespersons.
- (4) No official or salesperson shall designate the deposit agent’s, the official’s or the salesperson’s own address as the address for the purposes of clause (1)(h) or (i).
- (5) The official or salesperson and the investor must sign the application form immediately after it is completed.
- (6) Immediately after the application form is signed, the official or salesperson shall give to the investor:
- (a) a copy of the completed application; and
 - (b) a clear explanation of the investment process in writing.

“Deposit agent signing application

- 20(1)** An official or salesperson may sign an application on behalf of an investor only if:
- (a) the purpose is to enable the reinvestment on behalf of the investor of a maturing GIC with a financial institution;
 - (b) there is no change of beneficial ownership;
 - (c) the investor gives oral or written instructions to the deposit agent; and
 - (d) either:
 - (i) the investor is away from the investor’s principal residence for an extended period of time; or
 - (ii) it is significantly inconvenient for the investor to attend at the deposit agent’s office.
- (2) The oral or written instructions mentioned in clause (1)(c) must include:
- (a) the source of the money for reinvestment;
 - (b) the terms on which the money is to be reinvested;
 - (c) the address where interest and maturity cheques should be sent or deposited;

(d) the address where the financial institution should send the confirmation notice for the reinvestment required in section 30; and

(e) the time period in which the deposit agent is authorized to sign the application on behalf of the investor.

(3) If an official or salesperson signs an application form for an investor in accordance with subsection (1), the deposit agent must send a copy of the completed application form within 24 hours to:

(a) the investor's then current address if it is different from the investor's principal residence as provided by the investor to the registrant; and

(b) the investor's principal residence.

“PART 5 HANDLING OF MONEY

“Manner of payment

21(1) No official or salesperson shall accept money from investors for investment in GICs unless the investment is by:

(a) a cheque payable to the financial institution with whom the investor wishes to invest;

(b) cheques or other negotiable instruments endorsed to the credit of the payee for deposit to the financial institution with whom the investor wishes to invest;

(c) cash; or

(d) a third party cheque payable to the investor if the investor wants to invest the money in GICs of several financial institutions.

(2) If an official or salesperson receives from an investor either cash or a third party cheque payable to the investor, the official or salesperson shall immediately:

(a) provide a written receipt for the money to the investor; and

(b) deposit the cash or cheque into a trust account.

“Requirement to turn over money to deposit agent

22 Every salesperson and official of a deposit agent shall, on receipt, pay over to the deposit agent all money received in connection with the business of the deposit agent.

“Pooled money prohibited

23 No deposit agent, official or salesperson shall pool money received from more than one investor, and invest that pooled money in a GIC on behalf of those investors.

“Deposit agent holds deposits as trustee

24 All funds received by a deposit agent, official and salesperson in connection with the purchase of a GIC are deemed to be trust funds.

“Trust accounts

25(1) Any trust account that a deposit agent operates must be established under a written trust agreement between the deposit agent and the financial institution.

(2) The trust agreement established pursuant to subsection (1) must contain the following terms:

(a) an acknowledgment by the deposit agent that the deposit agent holds the money in trust;

(b) an acknowledgment by the deposit agent that the deposit agent will not overdraw the trust account;

(c) a direction by the deposit agent to the financial institution to make records relating to the trust account available to the Director on the Director's request;

(d) an acknowledgment by the financial institution that it will pay the money in the trust account to another financial institution or an investor, but not to the deposit agent;

(e) an acknowledgment by the financial institution that it will credit any interest, or other consideration or set off as a result of the operation of the trust account to the investor.

(3) A deposit agent may deposit only the following into the trust account:

(a) cash; or

(b) a third party cheque payable to the investor if the investor wants to invest the money in GICs of several financial institutions.

(4) A deposit agent shall operate a trust account established under subsection (1) in accordance with the following provisions:

(a) the deposit agent must not deposit into the trust account the deposit agent's own money or money from any other business the deposit agent may operate;

(b) the deposit agent must credit to the investor any interest, other consideration, or set off as a result of the operation of the trust account;

(c) the deposit agent must not make any payments from the trust account to anyone other than a financial institution or an investor;

(d) the deposit agent must not overdraw the trust account;

(e) the deposit agent must clear the trust account to a zero balance at the end of each day by forwarding money to the financial institutions.

“Remitting money to financial institution

26(1) A deposit agent shall send money received from an investor together with the completed application form in accordance with section 19 to the financial institution either:

(a) on the day that the deposit agent receives the money; or

(b) on the next business day if the deposit agent receives the money after the financial institution has closed for the day.

(2) A deposit agent shall send all of the money received from an investor to a financial institution, and the deposit agent shall not make any deductions for commission or for any other reason.

(3) Subject to subsection (4), a deposit agent shall send the money to the financial institution in any of the following ways:

- (a) by depositing the money into an account in the name of the financial institution;
- (b) by courier; or
- (c) by mail.

(4) A deposit agent shall send the money to the financial institution pursuant to subsection (3) in the most expeditious way.

“PART 6 FINANCIAL INSTITUTIONS

“Dealing with registered entities

27 No financial institution shall accept, receive or solicit money for the purchase of a GIC:

- (a) from a deposit agent unless the deposit agent is a registered deposit agent; or
- (b) from an official or a salesperson unless the official or salesperson is acting on behalf of a registered deposit agent.

“Contract with deposit agent required

28(1) No financial institution shall accept, receive or solicit money from a deposit agent unless the financial institution has a written agreement with that deposit agent.

(2) The written agreement between a financial institution and a deposit agent mentioned in subsection (1) must include the following:

- (a) an acknowledgment that the deposit agent may accept, receive or solicit money from investors for investment in a GIC with the financial institution;
- (b) a provision that the deposit agent must remit money to the financial institution only in accordance with this local instrument;
- (c) a provision that the deposit agent must accept, receive or solicit money from investors only in accordance with this local instrument;
- (d) a provision that the deposit agent must use an application form approved by the financial institution and prepared in accordance with this Local Instrument;
- (e) a provision that the deposit agent shall send the completed application form to the financial institution, in the most expeditious and reasonable way considering the amount invested, no later than the next business day after the money has been received and are deposited;
- (f) an acknowledgment that all money accepted, received or solicited by the deposit agent shall be held in trust for the investor;
- (g) an acknowledgment that the deposit agent shall operate trust accounts, if any, in accordance with this Local Instrument.

“Payments to investors

29 A financial institution shall:

- (a) make all payments due under a GIC payable to the beneficiary designated in the application form relating to that GIC; and
- (b) send all payments due under a GIC to the address or account designated by the investor:
 - (i) on the application form; or
 - (ii) in any other written direction signed by the investor that the financial institution has subsequently received.

“Confirmation notice

30(1) A financial institution shall promptly, but in any event no later than 15 days after receiving or reinvesting an investor’s money for a GIC, send a written notice to the investor stating:

- (a) that the financial institution has received the money;
 - (b) the amount of money received;
 - (c) the interest rate at which the money has been invested, and how interest will be calculated and paid;
 - (d) the term of the investment including the start and maturity date;
 - (e) whether or not the investment can be redeemed prior to maturity and any costs or charges applicable; and
 - (f) the name of the investor or person designated as owner of the GIC.
- (2) The financial institution shall send the notice mentioned in subsection (1) to the address specified by the investor on the application.
- (3) The financial institution shall send a copy of the confirmation notice to the deposit agent who transmitted the money.

“Reporting to the Commission

31 A financial institution shall, within 10 days of the event, advise the Commission of:

- (a) the name and address of any deposit agent with which it has entered an initial agreement pursuant to section 28 for the first time;
- (b) when it terminates a contract with a deposit agent, and the reasons for the termination; and
- (c) when it ceases to accept, receive or solicit money for the purchase of GIC from deposit agents.

“Annual reporting

32 A financial institution shall file a report with the Commission on or before December 31 of each year in accordance with Form 32-501F6.

“PART 7 EXEMPTION APPLICATIONS**“Exemption**

33 The Commission or the Director may grant an exemption to this Local Instrument, in whole or in part, subject to any conditions or restrictions that may be imposed in the exemption.

“APPENDIX A

[*Clause 18(d)*]

“DEPOSIT AGENT’S SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

1. Name of applicant or deposit agent (the “Deposit Agent”): _____
2. Jurisdiction of incorporation of Deposit Agent: _____
3. Name of agent for service of process (the “Agent”): _____
4. Address for service of process of Agent in Saskatchewan: _____
5. The Deposit Agent designates and appoints the Agent at the address of the Agent stated above as its agent on whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (the “Proceeding”) arising out of or relating to or concerning its registration under *The Securities Act, 1988* (Saskatchewan) (the “Act”) or its activities in Saskatchewan as a Deposit Agent, and irrevocably waives any right to raise as a defence in any Proceeding any alleged lack of jurisdiction to bring that Proceeding.
6. The Deposit Agent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Saskatchewan and any administrative proceeding in Saskatchewan, in any Proceeding arising out of or related to or concerning its registration under the Act or its activities in Saskatchewan as a Deposit Agent.
7. Until six years after the termination of its registration pursuant to the Act, the Deposit Agent shall file:
 - a. a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days prior to termination of this Submission to Jurisdiction and Appointment of Agent for Service of Process for any reason whatsoever; and
 - b. an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days prior to any change in the name or above address of the Agent.
8. This Submission to Jurisdiction and Appointment of Agent for Service of Process shall be governed by and construed in accordance with the laws of Saskatchewan.

Dated: _____

(Signature of Deposit Agent’s authorized signatory)

(Name and title of authorized signatory)

“Acceptance

The undersigned accepts the appointment as agent for service of process of _____

(Name of Deposit Agent)

pursuant to the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service of Process.

Dated: _____

(Signature of Agent or authorized signatory)

(Name and title of authorized signatory)

“APPENDIX B

[Clause 18(e)]

“UNDERTAKING TO PROVIDE INFORMATION

1. Name of applicant or deposit agent (the “Deposit Agent”): _____
2. Jurisdiction of incorporation of Deposit Agent: _____
3. The Deposit Agent hereby undertakes:
 - (a) to inform the Director of the Securities Division as soon as it becomes aware that:
 - (i) its registration or the registration of any of its salespersons or officials in any other jurisdiction in Canada is revoked by the securities regulatory authority in that jurisdiction or is suspended for cause other than lapse, transfer or resignation; or
 - (ii) an investigation order or notice hearing has been issued by any Canadian securities regulatory authority with respect to it or any of its salespersons or officials;
 - (b) that it will, on the request of the Commission, a person appointed by the Commission to make an investigation under the Act relating to the Deposit Agent’s activities in Saskatchewan, or the Director:
 - (i) immediately produce to the person making the request at the Deposit Agent’s expense all books, papers, documents, records and correspondence, relating to the Deposit Agent’s activities in Saskatchewan that are in the possession control or power of the Deposit Agent, subject to the laws of the jurisdiction that are otherwise applicable to the production of those books, papers, documents, records and correspondence, and if the laws of the other jurisdiction prohibit production of the books, papers, documents, records or correspondence without the relevant client’s consent, the Deposit Agent shall use its best efforts to obtain the client’s consent; and

- (ii) immediately produce in Saskatchewan at the Deposit Agent's expense appropriate persons in its employ as witnesses to give evidence on oath or otherwise. If the appropriate persons are not in its employ, it will use its best efforts to immediately produce in Saskatchewan at the Deposit Agent's expense those persons to give evidence on oath or otherwise, subject to the laws of the jurisdiction that are otherwise applicable to the giving of such evidence. If the laws of the other jurisdiction prohibit the giving of the evidence without the relevant client's consent, the Deposit Agent shall use its best efforts to obtain the client's consent;
- (c) to permit the Commission, the staff of the Commission or an agent of the Commission to inspect and examine, from time to time, the Deposit Agent's books and records in its home jurisdiction;
- (d) to reimburse the Commission for all costs and expenses incurred in conducting the inspection and examination mentioned in clause (c) above which the Commission would not have incurred had the books and records been maintained in Regina, Saskatchewan; and
- (e) not to object to any hearing before the Commission on the basis that it was not present or represented if it has received a notice to appear from the Commission.

Dated: _____

(Signature of Deposit Agent or authorized signatory)

(Name and title of authorized signatory)

“APPENDIX C
[Clause 18(g)]

“DISCLOSURE STATEMENT TO NEW CLIENTS

[on the letterhead of the Deposit Agent]

To all new clients:

You have recently opened an account with our firm. We agree that the laws of the province of Saskatchewan apply to any matter that may arise between us. We also agree to submit to the jurisdiction of the courts of the Province of Saskatchewan with respect to that matter.

Our address for service of legal proceedings is: _____

*(Name and address of agent
for service of process)*

 You should be aware that, because we do not have a place of business in Saskatchewan, you may have difficulty in enforcing any legal rights you have against us.

(Signature of Deposit Agent's authorized signatory)

(Name and title of authorized signatory)

“FORM 32-501F1**“REPORT BY MUTUAL FUND DEALER PURSUANT TO CLAUSE 4(d) OF
LOCAL INSTRUMENT 32-501 DEPOSIT AGENTS**

[Subclause 4(d)(i)]

Instruction:

Use this form if you are claiming the exemption in clause 4(d) of Local Instrument 32-501 Deposit Agents. Clause 4(d) exempts officials and salespersons of registered mutual fund dealers that are members of the MFDA from the registration requirement in Local Instrument 32-501 on certain conditions.

1.(a) Name of registered mutual fund dealer _____

(b) Head Office Business Address:

Telephone: _____ Postal Code: _____

Fax: _____ E-mail Address: _____

2. Attach a list with the following information about each official of your firm who trades in guaranteed investment certificates for your firm’s account and through your firm’s facilities:

name
position with your firm
business address
telephone number
fax number

Instruction: An “official” is a partner, director or officer of your firm.

3. Attach a list with the following information about each salesperson with your firm who trades in guaranteed investment certificates (“GICs”) for your firm’s account and through your firm’s facilities:

name
position with your firm
business address
telephone number
fax number

4. Attach a list with the following information about each financial institution that your firm places GIC business through:

name of the financial institution
name of contact person at the financial institution
business address of the branch you deal with
mailing address with postal code
telephone number
fax number

Dated at _____, this ____ day of _____, 20 __.

(Name of Mutual Fund Dealer)

By: _____
(Signature of authorized officer)

(Type or print name)

(Official capacity)

“AFFIDAVIT

PROVINCE OF SASKATCHEWAN

I, _____
(name in full)

of the _____
(municipality)

in the _____
(jurisdiction)

MAKE OATH AND SAY:

1. I am the authorized officer for the Mutual Fund Dealer herein and I signed the Reporting Form.
2. The statements of fact made in the Reporting Form are true.

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 __

(A Commissioner for Oaths in and for the
Province of Saskatchewan, or _____)

My commission expires _____.

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 __

A Notary Public in and for the Province
of _____, or _____

My commission expires _____

If swearing an affidavit outside Saskatchewan, you must be a Notary Public.

It is an offence under Saskatchewan securities laws to file an application that contains a statement that, at the time and in the light of the circumstances in which it is made, is false or misleading, or fails to state a material fact.

8. Is the applicant or is any affiliate of the applicant, now, or has it been:
- (a) registered or licensed in any capacity in any other province, state or country that requires registration or licensing to deal or trade in securities?
yes no
- (b) registered or licensed in any other capacity in Saskatchewan or any other province, state or country under any legislation that requires registration or licensing to deal with the public in any capacity? (e.g. as an insurance agent, real estate agent, used car dealer, mortgage broker, etc.)
yes no
- (c) refused registration or a licence mentioned in clause (a) or (b) above or has any registration or licence been suspended or cancelled in any category mentioned in clause (a) or (b) above?
yes no
- (d) denied the benefit of any exemption from registration provided by *The Securities Act, 1988* or any previous *Securities Act?*, or any similar exemption provided by securities legislation or regulations of any other province, state or country?
yes no
9. Has any securities regulatory authority or similar authority in any province, state or country:
- (a) found the applicant or an affiliate to have made a false statement or omission?
yes no
- (b) found the applicant or an affiliate to have been involved in a violation of its regulations or statutes?
yes no
- (c) found the applicant or an affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted?
yes no
- (d) entered an order denying, suspending or revoking the applicant's or an affiliate's registration or otherwise disciplined it by restricting its activities?
yes no
- (e) found the applicant or an affiliate to have been dishonest, unfair or unethical?
yes no
- (f) ever found the applicant or an affiliate to have been involved in a violation of investment regulations or statutes?
yes no

- (g) in the past 10 years entered an order against the applicant or an affiliate in connection with investment related activity?
yes no
10. Is the applicant, or is any affiliate of the applicant, now, or has it been:
- (a) a member of any stock exchange, association of investment dealers, investment bankers, brokers, broker-dealers, or similar organization, in any province, state or country?
yes no
- (b) refused membership in any stock exchange, association of investment dealers, investment bankers, brokers, broker-dealers, or similar organization, in any province, state or country?
yes no
- (c) suspended as a member of any stock exchange, association of investment dealers, investment bankers, brokers, broker-dealers, or similar organization, in any province, state or country?
yes no
11. Has any self-regulatory organization or commodities exchange ever:
- (a) found the applicant or an affiliate to have made a false statement or omission?
yes no
- (b) found the applicant or an affiliate to have been involved in a violation of its rules?
yes no
- (c) found the applicant or an affiliate to have been the cause of an investment related business having its authorization to do business denied, suspended, revoked or restricted?
yes no
- (d) disciplined the applicant or an affiliate by expelling or suspending it from membership, by barring or suspending its association with other members, or by otherwise restricting its activities?
yes no
12. Is the applicant or an affiliate now the subject of any proceeding that could result in a “yes” answer to questions 9 to 11?
yes no
13. Has the applicant, or to the best of the applicant’s information and belief has any affiliate of the applicant, operated under, or carried on business under, any name other than the name shown in this application?
yes no

14. Has the applicant, or to the best of the applicant's information and belief, has any affiliate of the applicant:
- (a) ever been convicted under the law of any province, state or country, excepting minor traffic violations?
yes no

Is there currently an outstanding charge or indictment against the applicant or affiliate?
yes no

Instruction: Question (a) refers to all laws, e.g. criminal, immigration, customs, liquor, etc., of any province, state or country in any part of the world.

- (b) ever been the defendant or respondent in any proceedings in any civil court in any jurisdiction in any part of the world wherein fraud was alleged?
yes no

- (c) at any time declared bankruptcy, or made a voluntary assignment in bankruptcy?
yes no

15. Has an insurance or bonding company denied, paid out on or revoked a financial institution bond or fidelity or surety bond for the applicant?
yes no

16. Does the applicant have any unsatisfied judgments or liens against it?
yes no

17. Does the applicant control, or is the applicant controlled by, any partnership, corporation or other organization engaged in securities or investment advisory business?
yes no

18. Set out on Schedule C the name of and position held by each official of the applicant seeking or holding registration.

19. Does the applicant engage in any other non-securities business?
If answer is "yes", give particulars on Schedule A. *yes no*

Dated at _____, this ____ day of _____, 20 __ .

(Name of applicant)

By: _____
(Signature of official on behalf of applicant)

(Official capacity)

**“Schedule A to Form 32-501F2
“Application for Registration as a Deposit Agent**

Applicant’s Name: _____

Date: _____

Instructions:

Use this Schedule to report details of affirmative answers to questions on Form 32-501F2:

- (a) *mark it as an exhibit;*
- (b) *cross-reference each statement on this Schedule to the item on this form to which it pertains; and*
- (c) *have both the applicant and the Commissioner taking the affidavit initial it.*

Item of Form

Answer

**“Schedule C to Form 32-501F2
“Application for Registration as a Deposit Agent**

Applicant’s Name: _____

Date: _____

Information in response to Item 18 of Form 32-501F2

Set out in the space provided the name, address and position held by each officer or partner of the applicant seeking registration.

Full name of person who will act	Office held	Business address
----------------------------------	-------------	------------------

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

“AFFIDAVIT

PROVINCE OF SASKATCHEWAN

I, _____
(name in full)

of the _____
(municipality)

in the _____
(jurisdiction)

MAKE OATH AND SAY:

1. I am the applicant (or a partner or officer of the applicant herein) for registration and I signed the application.
2. The statements of fact made in the application are true.

SWORN before me at _____
 in the _____
 of _____
 this ____ day of _____ 20 ____

(A Commissioner for Oaths in and for the Province of Saskatchewan, or _____)

My commission expires _____ .

SWORN before me at _____
 in the _____
 of _____
 this ____ day of _____ 20 ____

A Notary Public in and for the Province of _____ , or _____

My commission expires _____

If swearing an affidavit outside Saskatchewan, you must be a Notary Public.

It is an offence under Saskatchewan securities laws to file an application that contains a statement that, at the time and in the light of the circumstances in which it is made, is false or misleading, or fails to state a material fact.

“FORM 32-501F3

[Clause 9(b)]

**“SALESPERSONS AND OFFICIALS
APPLICATION FOR REGISTRATION***Instructions:*

1. Use this form to apply for registration as an official or salesperson of a deposit agent.
2. Answer all of the questions. If you do not, there will be delays in processing your application.
3. Give details of your answers on Schedule A to this Form.

1. Applicant

Last Name:	First, Second and Third Names:
Residential address including postal code:	Telephone: () -
Address for service in Saskatchewan:	Social insurance number:
Present position with the Deposit Agent:	Commenced employment on: dd/mm/yy

2. Deposit Agent

Name	Telephone: () -
E-mail address:	
Address where applicant will be working (street, city, province, postal code)	

3A. Personal Information about Applicant

Date of birth: dd/mm/yy	Gender:	
Place of birth:		
City	Province	Country
Citizenship:	If not a Canadian citizen, answer question 3B below.	

3B. Residency

Are you a permanent resident?		Number of years of continuous residence in Canada?	
PASSPORT			
Country	Place of issue	Date of issue	Number

4. Education

Instruction: State the last school attended at each level

	Degree or Diploma	Date Obtained
High School or Secondary Level		
Post-secondary, College or University		
Professional Education		
Other		

What other courses relating to financial services have you completed?
State the date on which the course was completed.

5. Employment History

Disclose your business activities for the 10 years just before the date of this application. Include periods of self-employment and unemployment. Exclude summer employment while a full-time student. Include all financial services employment during and prior to the ten-year period.

Name and address of employer	Name and title of immediate supervisor	Name of employment and duties of applicant	Reasons for leaving	From		To	
				mo.	yr.	mo.	yr.
Present:							
Past:							

Have you **ever** been discharged by an employer for cause?
If yes, give particulars on Schedule A.

yes no

Instruction:

Answer "Yes" or "No" to questions 6 to 14 inclusive. If you answer "Yes" to any of the questions, give complete details on Schedule A.

6. Change of Name

Have you **ever** been known under any name other than the name mentioned in Question 1 of this form?

yes no

Have you ever used or operated under any name?

yes no

If yes, list name changes. Include those resulting from marriage, divorce, court order or other processes, and include dates.

7. Prior Registration or Licensing

A. Are you now or have you ever been registered or applied for registration in any capacity under any legislation regulating trading in securities of any province, territory, state or country?

yes no

If yes, list all authorities with whom you were registered and the dates of registration. State whether the registration is currently in effect.

B. Are you now or have you **ever** been a partner, shareholder, director or officer of a company or partnership which has been registered, or is now registered under any legislation regulating trading in securities?

yes no

C. Are you now or have you **ever** been registered or licensed, or applied for registration, under any legislation that requires registration to deal with the public in any capacity in any province, territory, state or country?

yes no

8. Refusal, Suspension, Cancellation or Disciplinary Measure

A. Have you **ever** been refused registration, or has your registration been suspended or canceled under any legislation which regulates trading in securities of any province, territory, state or country?

yes no

B. Are you now or have you **ever** been a partner, shareholder, director, or officer of a company or of a partnership which has, during the time of your association with it, been refused registration or whose registration has been suspended or canceled under any legislation which regulates trading in securities of any province, territory, state or country?

yes no

- C. Have you ever been refused registration, or has your registration been suspended or canceled, under any legislation which requires registration or licensing to deal with the public in any capacity **other than trading in securities** in any province, territory, state or country?
yes no
- D. Have you been denied the benefit of any exemption from registration provided by any legislation regulating trading in securities of any province, territory, state or country?
yes no
- E. Has any prior or current registration to trade in securities held by you or any partnership or company of which you were at the time of such event a partner, officer or director or holder of voting securities carrying more than 5% of the votes carried by all outstanding voting securities **ever** been the subject of disciplinary action undertaken by any securities regulatory authority?
yes no

9. Offences Under the Law

Instruction: *Offences under federal statutes like the Income Tax Act (Canada) and the Immigration Act (Canada) constitute criminal offences, and must be disclosed when answering this question. Pleas or findings of guilt for impaired driving are Criminal Code matters and must be disclosed. Where you have pleaded guilty or been found guilty of an offence, you must report that offence even though you were granted an absolute or conditional discharge.*

A. Past Offences Involving Securities

Have you **ever** pleaded guilty or been found guilty under any law of any province, territory, state or country of any offence relating to trading in securities, or with any related offence, or been a party to any proceedings taken on account of fraud or theft arising out of any trade in or advice in respect thereof?
yes no

B. Past Offences Involving Other Criminal Offences or Contraventions

Have you **ever** pleaded guilty or been found guilty under law of any province, territory, state or country for contraventions or other criminal offences not noted in A. above?
yes no

C. Current Charges or Indictments

Are you **currently the subject of a charge or indictment**, under any law of any province, territory, state or country for contraventions, criminal offences or other conduct of the type described in this part?
yes no

D. Partnership or Company Offences or Current Charges or Indictments

Has any partnership or company of which you are or were at the time of such event a partner, officer, director or a holder of voting securities carrying more than 5% of the votes carried by all outstanding voting securities, **ever** pleaded guilty or been found guilty, or is any such partnership or company currently the subject of a **charge of indictment**, under any law of any province, territory, state or country for contraventions, criminal offences or other conduct of the type described in this part?

yes no

10. Civil Proceedings

Has any claim been made successfully or is any claim pending in any civil proceedings before a court or other tribunal in any province, territory, state or country which is or was based in whole or in part on fraud, theft, deceit, misrepresentation or similar conduct:

A. against you?

yes no

B. against any partnership or company of which you are or were at the time of such event, or at the time such proceedings were commenced, a partner, director officer or holder of voting securities carrying more than 5% of the votes carried by all outstanding voting securities?

yes no

11. Bankruptcy

A. Under the law of any province, territory, state or country have you **ever**:

(a) been declared bankrupt or made a voluntary assignment in bankruptcy?

yes no

(b) made a proposal under any legislation relating to bankruptcy or insolvency?

yes no

(c) been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver and/or manager appointed to hold your assets?

yes no

(d) been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver and/or manger appointed to hold its assets?

yes no

If yes, and if applicable, attach copy of any discharge, release or document with similar effect.

12. Judgment or Garnishment

Has any judgment or garnishment **ever** been rendered against you or is any judgment or garnishment outstanding against you, in any civil court in any province, territory, state or country for damages or other relief in respect of a fraud or for any reason whatsoever?

yes no

13. Surety bond or Fidelity Bond

A. Have you **ever** applied for a surety bond or fidelity bond and been refused?

yes no

If yes, attach name and address of bonding company, and when and why the bond was refused.

B. Are you presently bonded?

yes no

14. Business Activities

A. Will you be actively engaged in the business of the firm with which you are now applying and devote the major portion of your time thereto?

yes no

B. Are you engaged in any other business or do you have any other employment for gain except your occupation with the firm with which you are now applying?

yes no

C. Are you a partner, director, officer, shareholder or other contributor of capital of a partnership or of a company having as its principal business that of a dealer or adviser in securities other than the firm with which you are now applying? If yes, **attach full details**.

yes no

“Certificate

I hereby certify that the foregoing statements are true and correct to the best of my knowledge, information and belief.

By submitting this application I consent to the collection by the Saskatchewan Financial Services Commission (“SFSC”) of the personal information contained in the application, police records, records from other government or non-governmental regulatory authorities or self-regulatory organizations, credit records and employment records about me as may be necessary for the SFSC to complete its review of my application or continued fitness for registration in accordance with the legal authority of the SFSC for the duration of the period for which I remain registered. The sources the SFSC may contact include government and private bodies or agencies, individuals, corporations and other organizations.

Dated this _____ day of _____, 20 _____.

(Signature of applicant)

“AFFIDAVIT

PROVINCE OF SASKATCHEWAN

I, _____
(name in full)

of the _____
(municipality)

in the _____
(jurisdiction)

MAKE OATH AND SAY:

1. I, the undersigned applicant, do depose and say that I have read and understand the questions in this application form as well as my answers to those questions.
2. The statements of fact that I made in the application and in the attachments, if any, are true.

SWORN before me at _____
 in the _____
 of _____
 this ____ day of _____ 20 ____

(A Commissioner for Oaths in and for the Province of Saskatchewan, or _____)

My commission expires _____ .

SWORN before me at _____
 in the _____
 of _____
 this ____ day of _____ 20 ____

A Notary Public in and for the Province of _____ , or _____

My commission expires _____ .

If swearing an affidavit outside Saskatchewan, you must be a Notary Public.

It is an offence under Saskatchewan securities laws to file an application that contains a statement that, at the time and in the light of the circumstances in which it is made, is false or misleading, or fails to state a material fact.

“Schedule A to Form 32-501F3**“Application for Registration as an Official or Salesperson**

Applicant's Name: _____

Date: _____

*Instructions:**Use this Schedule to report details of answers to questions on Form 32-501F3:*

- (a) mark it as an exhibit;*
- (b) cross-reference each statement on this Schedule to the item on this form to which it pertains; and*
- (c) have both the applicant and the Commissioner taking the affidavit initial it.*

Item of Form**Answer**

“FORM 32-501F4**“DEPOSIT AGENT ANNUAL REPORT**

[Section 14]

Deposit Agent

1.(a) Legal Name of Deposit Agent _____

(b) Name under which business is conducted, if different

(c) Head office business address

Postal Code _____ Telephone _____

(d) Address for service in Saskatchewan

Postal Code _____ Telephone _____

(e) E-mail address _____

Bank Accounts

2. We have bank accounts at the following financial institutions and branches:

_____**Trust Accounts**2A. Do you have a trust account?
yes no

If yes, state the name and branch of the financial institution.

Also attach a completed Form 32-501F5 - *Trust Account Annual Report*.**Branch Offices**3. Do you have any branch offices?
yes no

If yes, attach a list of branch offices with the following information for each office:

business address
mailing address
postal code
telephone number
fax number
name of manager

Financial Institutions

4. Attach a list with the following information about each financial institution that you place your GIC business through:
 - name of financial institution
 - name of contact person at the financial institution
 - business address of the branch you deal with
 - mailing address with postal code
 - telephone number
 - fax number

Officials

5. Attach a list with the following information about each official with your firm who is registered:
 - “Official” means a partner, director or officer of your firm.*
 - name
 - position with your firm
 - business address
 - telephone number
 - fax number

Salespersons

6. Attach a list with the following information about each salesperson that your firm employs or engages:
 - name
 - business address
 - telephone number
 - fax number

Financial institution bond

7. Attach a copy of a current financial institution bond that your firm is required to maintain pursuant to section 11 of Local Instrument 32-501 - *Deposit Agents*.

Changes to initial application for registration

8. Attach as an exhibit full particulars of all changes in the information given in your firm's application for registration. (Form 32-501F2 - *Application for Registration as a Deposit Agent*)

The person signing this form and the Commissioner taking his or her affidavit should both initial all exhibits and attachments to this form. If there are many changes, complete and file a new Form 32-501F2.

Dated at _____, this ____ day of _____, 20 ____

(Name of Deposit Agent)

By: _____
(Signature of applicant, partner or officer)

(Type or print name)

(Official capacity)

“AFFIDAVIT

PROVINCE OF SASKATCHEWAN

I, _____
(*name in full*)of the _____
(*municipality*)in the _____
(*jurisdiction*)

MAKE OATH AND SAY:

1. I, the undersigned applicant, do depose and say that I have read and understand the questions in this application form as well as my answers to those questions.
2. The statements of fact that I made in the application and in the attachments, if any, are true.

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 ____

(*A Commissioner for Oaths in and for the
Province of Saskatchewan, or _____*)

My commission expires _____ .

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 ____

*A Notary Public in and for the Province
of _____, or _____*

My commission expires _____ .

If swearing an affidavit outside Saskatchewan, you must be a Notary Public.**It is an offence under Saskatchewan securities laws to file an application that contains a statement that, at the time and in the light of the circumstances in which it is made, is false or misleading, or fails to state a material fact.**

**“FORM 32-501F5
“AUDITOR’S REPORT ON COMPLIANCE WITH SASKATCHEWAN
LOCAL INSTRUMENT 32-501 - DEPOSIT AGENTS**

[Section 31]

You are qualified to complete an Auditor’s Report if you are:

1. *a chartered accountant registered as a member in good standing of the Institute of Chartered Accountants of Saskatchewan and in public practice;*
2. *a Certified General Accountant registered as a member in good standing of the Association of Certified General Accountants of Saskatchewan and in public practice; or*
3. *a Certified Management Accountant registered as a member in good standing of the Association of Certified Management Accountants of Saskatchewan and in public practice.*

To the Saskatchewan Financial Services Commission:

I have audited _____ for compliance in the year
(name of deposit agent)
 ending _____ with the criteria established
(date of financial year end)

in Saskatchewan Local Instrument 32-501 - *Deposit Agents* for the operation of trust accounts (the “trust account criteria”). Compliance with the trust account criteria is the responsibility of the management of _____ .
(name of deposit agent)

My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether _____
(name of deposit agent)

complied with the trust account criteria. Such an audit includes examining, on a test basis, evidence supporting compliance, and evaluating the overall compliance with the trust account criteria.

In my opinion, _____ has operated its trust account in
(name of deposit agent)

compliance with the trust account criteria, in all material respects, in the year ending _____ .
(date of financial year end)

(Name of Auditor)

(Signature)

(Professional Designation)

(Address)

(Date)

“FORM 32-501F6**“FINANCIAL INSTITUTION ANNUAL REPORT**

[Section 31]

We confirm that we accept funds from Deposit Agents in Saskatchewan.

Our name: _____

Head office address: _____

Mailing address: _____

Postal code: _____ Phone number: _____ Fax number: _____

Name of contact person: _____

E-mail address of contact person: _____

Branch offices

Do you have branch offices in Saskatchewan that accept funds from Deposit Agents?

yes no

If yes, complete the following for each branch office in Saskatchewan:

Business address: _____

Mailing address: _____

Postal code: _____ Phone number: _____ Fax number: _____

Name of contact person: _____

Business address: _____

Mailing address: _____

Postal code: _____ Phone number: _____ Fax number: _____

Name of contact person: _____

Business address: _____

Mailing address: _____

Postal code: _____ Phone number: _____ Fax number: _____

Name of contact person: _____

(If you have more than 3 branch offices, list them on another sheet.)

Deposit Agents

Attach a list with the following information about each Deposit Agent you currently deal with:

- name of Deposit Agent
- name of contact person
- business address
- mailing address with postal code
- telephone number
- fax number

Dated at _____, this ____ day of _____, 20 __ .

Name of Financial Institution

By: _____
Signature of authorized officer

Type or print name

Official capacity

“AFFIDAVIT

PROVINCE OF SASKATCHEWAN

I, _____
(name in full)of the _____
(municipality)in the _____
(jurisdiction)

MAKE OATH AND SAY:

1. I am the applicant (or a partner or officer of the applicant herein) for registration and I signed the application.
2. The statements of fact made in the application are true.

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 ____

(A Commissioner for Oaths in and for the
Province of Saskatchewan, or _____)

My commission expires _____ .

SWORN before me at _____

in the _____

of _____

this ____ day of _____ 20 ____

A Notary Public in and for the Province
of _____, or _____

My commission expires _____ .

If swearing an affidavit outside Saskatchewan, you must be a Notary Public.**It is an offence under Saskatchewan securities laws to file an application that contains a statement that, at the time and in the light of the circumstances in which it is made, is false or misleading, or fails to state a material fact”.**

Sask. Reg. 85/2005 repealed

5 *The Securities Commission (Local Instruments) Amendment Regulations, 2005 (No. 2)* are repealed.

Coming into force

6(1) Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations.

(2) Clause 3(b) and subsection 4(2) of these regulations come into force on January 1, 2006.

